

NEW ISSUE: FULL BOOK ENTRY ONLY

NOT RATED

In the opinion of Bond Counsel, assuming compliance with existing statutes, regulations, rulings and court decisions, interest on the 2000 Bonds is excluded from gross income for federal income tax purposes. However, see "LEGAL MATTERS— Tax Exemption" herein for a description of the federal alternative minimum tax on corporations and certain other federal tax consequences of ownership of the 2000 Bonds. Bond Counsel is further of the opinion that the 2000 Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in Chapter 220.

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

Lee County, Florida

\$14,530,000
Capital Improvement Revenue Bonds
Series 2000A

\$27,395,000
Capital Improvement Revenue Bonds
Series 2000B

Dated: December 1, 2000

Due: May 1, as shown below

The Miromar Lakes Community Development District (Lee County, Florida) Capital Improvement Revenue Bonds, Series 2000A and Series 2000B (collectively, the "2000 Bonds") will be issued as fully registered securities in the name of Cede & Co., as Bondholder and securities depository nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book entry form only through DTC Participants (defined herein). The 2000 Bonds will be issued in denominations of \$5,000 and integral multiples of \$5,000 in excess thereof, and this offering will initially be limited by the Underwriter to accredited investors within the meaning of the rules of the Florida Department of Banking and Finance and Chapter 189, Florida Statutes, in minimum increments of \$100,000 or any integral multiple of \$100,000 in excess thereof. Interest on the 2000 Bonds is payable on May 1, 2001, and on each November 1 and May 1 thereafter until maturity or earlier redemption. Principal of and interest on the 2000 Bonds will be paid by the Paying Agent (as defined herein) to DTC, or its nominee, and then by DTC through DTC Participants to the beneficial owners thereof. First Union National Bank will serve as Trustee, Registrar and Paying Agent for the 2000 Bonds.

The 2000 Bonds are subject to extraordinary redemption and to mandatory redemption, each as described herein under the caption "SECURITIES BEING OFFERED - Redemption Provisions."

The 2000 Bonds are being issued for the purpose of (i) financing the Cost of acquiring, constructing and equipping assessable improvements, (ii) paying certain costs associated with issuing the 2000 Bonds, (iii) making a deposit into the 2000 Reserve Account (as defined herein) and (iv) paying a portion of the interest to become due on the 2000 Bonds.

THE 2000 BONDS ARE BEING OFFERED FOR SALE ONLY TO ACCREDITED INVESTORS. NO APPLICATION HAS BEEN MADE FOR A RATING WITH RESPECT TO THE 2000 BONDS, NOR IS THERE ANY REASON TO BELIEVE THAT THE DISTRICT WOULD HAVE BEEN SUCCESSFUL IN OBTAINING AN INVESTMENT GRADE RATING FOR THE 2000 BONDS HAD APPLICATION BEEN MADE. PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY ONE OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF, AND/OR INTEREST ON THE 2000 BONDS. SEE "RISK FACTORS", "SECURITY FOR THE 2000 BONDS" AND "SUITABILITY FOR INVESTMENT" HEREIN FOR A SUMMARY OF CERTAIN OF THESE RISKS. EACH PROSPECTIVE INVESTOR IS EXPECTED TO CONDUCT ITS OWN INVESTIGATION INTO THE DISTRICT, THE SOURCES OF PAYMENT AND THE RISKS OF AN INVESTMENT IN THE 2000 BONDS, AND TO EVALUATE INDEPENDENTLY THE MERITS AND RISKS AND CONSEQUENCES OF SUCH AN INVESTMENT.

MATURITIES, AMOUNTS, INTEREST RATES, AND YIELDS

\$14,530,000 7.375% Term Bonds maturing May 1, 2032 — 7.375% Yield
 (Accrued interest to be added)

\$27,395,000 7.250% Term Bonds maturing May 1, 2012 — 7.250% Yield
 (Accrued interest to be added)

THE 2000 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE AMOUNTS PLEDGED THEREFOR UNDER THE INDENTURE. NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, THE TAXING POWER, NOR THE NON-AD VALOREM SPECIAL ASSESSMENT POWER OF THE DISTRICT, LEE COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE 2000 BONDS. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OR THE NON-AD VALOREM SPECIAL ASSESSMENT POWER OF THE DISTRICT OR OTHER GOVERNMENTAL BODY TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2000 BONDS. THE 2000 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, LEE COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

The 2000 Bonds are offered when, as and if issued to and accepted by the Underwriter, subject to the opinion on certain legal matters relating to their issuance by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, and certain other conditions. Certain legal matters will be passed on for the District by Annis, Mitchell, Cockey, Edwards & Roehn, P.A., Fort Myers, Florida, District Counsel, and for the Underwriter by Greenberg Traurig, P.A., Tallahassee, Florida, Underwriter's Counsel. It is expected that the 2000 Bonds will be available for delivery to DTC in New York, New York on or about December 21, 2000.

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

William R. Hough & Co.

Dated: December 8, 2000

**MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA**

BOARD OF SUPERVISORS

Tim Byal	Chairman
Steve Lewis	Vice Chairman
Jeff Staner	Assistant Secretary
Tom Harrison	Assistant Secretary
Dennis Langkam	Assistant Secretary

DISTRICT MANAGER

Severn Trent Environmental Services/Gary L. Moyer, P.A.
Coral Springs, Florida

DISTRICT COUNSEL

Annis, Mitchell, Cockey, Edwards & Roehn, P.A.
Fort Myers, Florida

BOND COUNSEL

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

DEVELOPER'S COUNSEL

Annis, Mitchell, Cockey, Edwards & Roehn, P.A.
Fort Myers, Florida

FINANCIAL ADVISOR

Fishkind & Associates, Inc.
Orlando, Florida

DISTRICT ENGINEERS

Banks Engineering, Inc.
Fort Myers, Florida

TRUSTEE

First Union National Bank
Miami, Florida

REGARDING USE OF THIS LIMITED OFFERING MEMORANDUM

No dealer, broker, salesman or other person has been authorized by the District, Lee County, the State of Florida or the Underwriter to give any information or to make any representations other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2000 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the District, the District Engineer, the State of Florida, the Financial Advisor, the Developer, Developer's Counsel, Bond Counsel and other sources that are believed by the Underwriter to be reliable. The District, the Developer, the District Engineer, the Financial Advisor and the Underwriter will all, at closing, deliver certificates certifying that the information each supplied does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change with respect to the matters described herein since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2000 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE 2000 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS WHEREIN THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THESE BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM.

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LIMITED OFFERING MEMORANDUM

Relating to

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT Lee County, Florida

\$14,530,000
Capital Improvement Revenue Bonds
Series 2000A

\$27,395,000
Capital Improvement Revenue Bonds
Series 2000B

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices hereto, is to set forth certain information concerning the Miromar Lakes Community Development District (the "District"), in connection with the offering and issuance of its \$14,530,000 Miromar Lakes Community Development District Capital Improvement Revenue Bonds, Series 2000A (the "2000A Bonds") and its \$27,395,000 Miromar Lakes Community Development District Capital Improvement Revenue Bonds, Series 2000B (the "2000B Bonds") (the 2000A Bonds and the 2000B Bonds are collectively referred to as the "2000 Bonds"). This Introduction is only a brief discussion of selected topics discussed herein. To make an informed investment decision, potential investors should review fully the entire Limited Offering Memorandum, as well as the documents summarized or described herein. Capitalized terms, if not otherwise defined, have the respective meanings set forth for such terms in **Appendix A—"Form of the Master Trust Indenture and the First Supplemental Trust Indenture."**

The Issuer

The District is a community development district located in Lee County, Florida (the "County") presently consisting of approximately 972 acres. The District is an independent special district and body politic of the State of Florida formed to construct, operate, and maintain the necessary infrastructure within the District. The property within the District consists of wetlands, forested open space, and pasture and the entire property within the District is located within the Miromar Lakes Development of Regional Impact (DRI). The project will consist of residential properties, commercial properties, a Beach Club/Marina, Golf Course and Club House, as well as right-of-way, Preserve and Passive Recreational property and lakes. A more complete discussion of the District is included herein under the captions "**THE DISTRICT**" and "**PLAN OF FINANCE—The Development,**" respectively.

Security for the 2000 Bonds

The District's 2000 Bonds and the interest and redemption premium, if any, payable thereon are limited obligations of the District (see "**Limited Obligations**" below) and are payable only from and are secured only by the proceeds of special assessments (the "2000 Series Assessments") upon property specially benefited by the 2000 Project (the "2000 Pledged Revenues"), all as more fully described under the caption "**SECURITIES BEING OFFERED.**"

Purpose of the 2000 Bonds

The 2000 Bonds are being issued for the purpose of (i) financing the Costs of acquiring, constructing and equipping certain assessable improvements (the "2000 Project"), (ii) paying certain costs associated with the issuance of the 2000 Bonds, (iii) making a deposit into the related 2000 Reserve Accounts for the benefit of all of the 2000 Bonds; and (iv) paying a portion of the interest to become due on the 2000 Bonds.

Features of the 2000 Bonds

1. Redemption.

The 2000A Bonds are subject to optional redemption beginning May 1, 2011 to mandatory redemption beginning May 1, 2003 and to extraordinary mandatory redemption, each as more fully described under the caption "**SECURITIES BEING OFFERED—Redemption Provisions.**"

The 2000B Bonds are not subject to optional redemption but are subject to mandatory redemption beginning May 1, 2012 and to extraordinary mandatory redemption, as more fully described under the caption "**SECURITIES BEING OFFERED—Redemption Provisions.**"

2. Denominations and Interest Payment Dates. The 2000 Bonds will be issued as fully registered bonds in denominations of \$5,000 and integral multiples of \$5,000 in excess thereof, and this offering will initially be limited by the Underwriter to accredited investors within the meaning of the rules of the Florida Department of Banking and Finance and Chapter 189, Florida Statutes, in minimum increments of \$100,000 and integral multiples of \$100,000 in excess thereof (see "**MISCELLANEOUS—Suitability For Investment**"). When issued, the 2000 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry-only form through DTC Participants, all as defined and described under the caption "**SECURITIES BEING OFFERED—Book-Entry-Only System**"). Interest on the 2000 Bonds is payable on each May 1 and November 1 (each an "Interest Payment Date"), commencing May 1, 2001.

3. Manner of Making Payment. So long as the 2000 Bonds remain in book-entry-only form, payment of principal, premium, if any, and interest on the 2000 Bonds will be mailed or delivered by check or draft of, First Union National Bank, Miami, Florida, as Trustee, Registrar and Paying Agent, to Cede & Co., as registered owner of the 2000 Bonds, and will be redistributed to the beneficial owners ("Beneficial Owners") by DTC through DTC Participants (see "**SECURITIES BEING OFFERED—Book-Entry-Only System**" herein).

4. Registration, Transfer and Exchange. So long as the 2000 Bonds remain in book-entry-only form, transfers of beneficial ownership interests in the 2000 Bonds are to be accomplished by entries made on the books of DTC Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their beneficial ownership interests in 2000 Bonds, except in the event that use of the book-entry system for the 2000 Bonds is discontinued (see "**SECURITIES BEING OFFERED—Book-Entry-Only System**" herein).

Professionals

The following is a list of professionals providing services in connection with this issue:

1. William R. Hough & Co., Naples, Florida—Underwriter;

2. First Union National Bank, Miami, Florida—Trustee, Registrar and Paying Agent;
3. Nabors, Giblin & Nickerson, Florida—Bond Counsel;
4. Annis, Mitchell, Cockey, Edwards & Roehn, P.A., Fort Myers, Florida—District Counsel;
5. Greenberg Traurig, P.A., Tallahassee, Florida—Underwriter's Counsel;
6. Holland & Knight, Miami, Florida—Trustee's Counsel;
7. Fishkind & Associates, Inc.—Orlando, Florida—Financial Advisor;
8. Annis, Mitchell, Cockey, Edwards & Roehn, P.A., Fort Myers, Florida—Developer's Counsel;
9. Banks Engineering, Fort Myers, Florida—District Engineer;
10. Severn Trent Environmental Services/Gary L. Moyer, P.A., Coral Springs, Florida—District Manager.

Terms of the Offering

1. **Authority for the 2000 Bonds.** The 2000 Bonds, when, as or if issued, will be issued pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190 and Section 190.014, Florida Statutes (2000) and other applicable provisions of law (the "Act"), Resolutions Nos. 2000-12 and 2001-6 adopted by the Board of Supervisors on September 19, 2000 and November 21, 2000, respectively, (collectively, the "Bond Resolution") and a Master Trust Indenture dated as of December 1, 2000 (the "Master Indenture"), between the District and the Trustee, as amended and supplemented by a First Supplemental Trust Indenture, dated as of December 1, 2000 (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").

2. **Satisfaction of Conditions.** The 2000 Bonds are being offered by the Underwriter when, as, and if issued by the District and accepted by the Underwriter, subject to the delivery of an approving opinion of Bond Counsel and satisfaction of certain other conditions.

3. **Delivery.** It is expected that the 2000 Bonds will be available for delivery to DTC in New York, New York, on or about December 21, 2000.

Risk Factors

The 2000 Bonds are subject to a significant degree of risk. See the caption "**RISK FACTORS.**"

Miscellaneous

This Limited Offering Memorandum speaks only as of its date and the information contained herein is subject to change. The description of the Indenture and documents authorizing and securing the 2000 Bonds do not purport to be comprehensive or definitive, however, Bond Counsel and others will opine at closing that said descriptions are fair and accurate statements. References to the Indenture

(attached as Appendix A) and other documents are qualified in their entirety by reference to the forms thereof.

Additional Information

Prior to delivery of the 2000 Bonds, copies of the documents described herein may be obtained by contacting William R. Hough & Co., Attention: William J. Reagan, telephone number (941) 649-6077. Subsequent to delivery of the 2000 Bonds, copies of documents may be obtained, after paying the costs of copying, from the Trustee by contacting Vivian Cerecedo, First Union National Bank, 200 South Biscayne Boulevard, Miami, Florida 33131, telephone number (305)789-4682.

THE DISTRICT

General

The District is located in Lee County, Florida and presently consists of approximately 972 acres. It is lying within Sections 10, 11, 12, 13, 14, 15 and 23, Township 46 South Range 25 East and is east of Interstate 75, south of Alico Road, north of Florida Gulf Coast University and is bisected by Ben Hill Griffin Parkway. It was established to provide public improvements and to deliver community development systems, facilities and services in the area of the District thereby providing a solution to the County's planning, management and financing needs for delivery of capital infrastructure within that portion of Lee County encompassed by the District. A site map showing the location of the District is included in **Appendix B—“District Engineer’s Report and Supplemental Engineer’s Report.”**

Legal Powers and Authority

The District is a community development district organized and existing under the Act. It was established on September 19, 2000 pursuant to the Act. The Act was enacted in 1980 to provide a uniform method for the establishment of independent districts to manage and finance basic community development services, including capital infrastructure required for community developments throughout the State of Florida. The Act provides legal authority for community development districts (such as the District) to manage and finance the acquisition, construction, operation and maintenance of the major infrastructure for community development.

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

Among other provisions, the Act gives the District's Board of Supervisors (the “Board of Supervisors”) the right (i) to acquire through purchase, gift, devise or otherwise, real or personal property; (ii) to establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain (a) water supply, sewer and wastewater management systems, (b) a system of drainage and flood control or any combination thereof and to construct and operate connecting intercept or outlet sewers and sewer mains and pipes and water mains, conduits, or pipelines in, along, and under any street, alley, highway, or other public place or ways, and to dispose of any effluent, residue, or other byproducts

of such system, or sewer system, (c) district roads equal to or exceeding the specifications of the County, as well as streetlights, and (d) with the consent of the County, parks and facilities for indoor and outdoor recreational, cultural and educational uses; (iii) to borrow money and issue debt obligations of the District; and (iv) to exercise all other powers necessary, convenient, incidental or proper in connection with any of the powers or duties of the District stated in the Act.

The Act does not empower the District to adopt and enforce land use plans or zoning ordinances, and the Act does not empower the District to grant building permits. These functions are performed by the County, acting through its Board of County Commissioners and its departments of government.

Board of Supervisors

The Act provides for a five-member Board of Supervisors to serve as the governing body of the District. Members of the Board of Supervisors must be residents of the State and citizens of the United States. Initially, the members were designated and appointed in the formative petition establishing the District. Thereafter the members are elected on an at-large basis by the owners of property within the District. Ownership of land within the District initially entitles each landowner to cast one (1) vote per acre of land owned by him and located within the District (with fractions thereof rounded upward to the nearest whole number) for each person to be elected. All members serve until expiration of their terms and until their successors are chosen and qualified. If, during the term of office a vacancy occurs, the remaining members of the Board fill the vacancy by an appointment for the remainder of the unexpired term. Commencing six years after the initial appointment of members, once the District reaches 250 qualified electors, the election and membership of the Board of Supervisors begins to be transitioned to qualified electors when the position of two Board members whose terms are expiring is filled by qualified electors of the District, elected by the qualified electors of the District. A qualified elector is a registered voter who is a resident of the District and the State and a citizen of the United States.

At the election where members are first elected by qualified electors, two members must be qualified electors and a third remaining member whose term is expiring will be elected by landowners. One of the Board members elected by the qualified electors shall serve a two year and the other a four year term, and the remaining Board member whose term is expiring shall be elected for a four year term by the landowners and is not required to be a qualified elector. Thereafter, as terms expire, all members must be qualified electors and will be elected by qualified electors and serve staggered terms. Notwithstanding any of the foregoing, if at any time the Board of Supervisors proposes to exercise its ad valorem taxing power, prior to the exercise of such power, it must call an election at which all members of the Board of Supervisors will be elected by qualified electors of the District. Elections subsequent to such decision will be held in a manner such that the members will serve four year terms with staggered expiration dates in the manner set forth in the Act.

The Act provides that it is not an impermissible conflict of interest under Florida law governing public officials for such persons to serve as members of the Board of Supervisors. All Board members are employees of Miromar Lakes, L.L.C., a Florida limited liability company ("the Developer") or affiliates of the Developer. No Board members have consulting contracts with the District. The current members of the Board of Supervisors and their occupations are as follows:

<i>Supervisor</i>	<i>Occupation</i>	<i>Term Expires</i>
Tim Byal, Chairman	Vice President of Operations for Miromar Lakes, LLC	Nov. 2004
Steve Lewis, Vice Chairman	Controller for Miromar Lakes, LLC	Nov. 2004
Jeff Staner, Assistant Secretary	General Manager of Miromar Outlet Mall for Miromar Outlet West, Inc.	Nov. 2002
Tom Harrison, Assistant Secretary	Director of sales and marketing for Miromar Lakes, LLC	Nov. 2002
Dennis Langkam, Assistant Secretary	Commercial Construction	Nov. 2002

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

The Act exempts all property owned by the District from levy and sale by virtue of an execution and from judgment liens, but does not limit the right of any bondholder of the District to pursue any remedy for enforcement of any lien or pledge of the District in connection with such bonds or obligations, including the 2000 Bonds.

District Management

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

Severn Trent Environmental Services/Gary L. Moyer, P.A., serves as District Manager of the District. Mr. Moyer began his development career with Westinghouse Corporation in 1973 after receiving a bachelor of science degree from Penn State University and a master of business administration degree from the University of Notre Dame. He founded Gary L. Moyer, P.A. March 8, 1982 for the purpose of providing professional managerial services to units of local government, specifically special purpose districts that provide underlying infrastructure facilities and services to new community developments. Mr. Moyer is actively involved in the management of more than 83 special districts throughout the State of Florida, including community development districts, that have collectively issued in excess of \$2 billion of debt obligations. Mr. Moyer has served on the Board of Directors of the Association of Special Districts, the Broward County 208 Water Quality Board, and the Broward County Areawide Clean Water Advisory Board. Mr. Moyer's office is located at 210 North University Drive, Suite 301, Coral Springs, Florida 33071, telephone no. (954) 796-6615. In October of 1998, Gary L. Moyer, P.A. was purchased by Severn Trent Environmental Services. Gary Moyer will continue to act as District Manager for all of the districts Severn Trent Environmental Services represents.

The District Manager's typical responsibilities can briefly be summarized as overseeing directly and coordinating the planning, financing, purchasing, staffing, reporting and governmental liaison for each district. The District Manager is responsible for the administration of the bond funds at the district

level, which includes requisitioning moneys to pay construction contracts and the related accounting and reporting that is required by the various bond documents.

Debt

The District does not have any existing debt.

SECURITIES BEING OFFERED

Purpose

1. **General.** The 2000 Bonds are being issued for the purpose of (i) financing the Costs of acquiring, constructing and equipping certain assessable improvements (the "2000 Project"), (ii) paying certain costs associated with the issuance of the 2000 Bonds, (iii) making a deposit into the related 2000 Reserve Accounts for the benefit of all of the 2000 Bonds; and (iv) paying a portion of the interest to become due on the 2000 Bonds. The 2000 Bonds are the first Series of Bonds issued under a resolution authorizing bonds not to exceed \$100,000,000 (the "Bonds"). The 2000 Bonds are being issued in fully registered form in denominations of \$5,000 and any integral multiple of \$5,000 in excess thereof, and this offering will initially be limited to accredited investors within the meaning of the rules of the Florida Department of Banking and Finance and Chapter 189, Florida Statutes, in minimum increments of \$100,000 and integral multiples of \$100,000 in excess thereof (see "MISCELLANEOUS—Suitability For Investment").

2. **Sources and Uses of Funds.** The proceeds from the sale of the 2000 Bonds are expected to be applied as follows:

	2000 Bond Proceeds
SOURCES:	
Par amount of 2000 Bonds	\$41,925,000.00
Accrued interest	169,873.61
TOTAL ESTIMATED SOURCES	\$42,094,873.61
USES:	
Deposit to the 2000 Acquisition & Construction Account	\$32,782,737.58
Deposit to the 2000 Interest Account	5,132,203.21
Deposit to the 2000A Reserve Account	1,205,581.26
Deposit to the 2000B Reserve Account	2,304,326.56
Deposit to the 2000 Cost of Issuance Account (1)	670,025.00
TOTAL ESTIMATED USES	\$42,094,873.61

(1) Includes, among other things, Underwriter's Discount, Bond Counsel fees, Financial Advisor, Trustee, Registrar and Paying Agent fees and printing costs.

3. **Investments.** Moneys held for the credit of the Funds and Accounts established by the Indenture and held as security for the 2000 Bonds must, as nearly as practicable, be continuously invested and reinvested in Investment Obligations (see Appendix "A" for a definition of Investment Obligations). The Investment Obligations in which such moneys are invested must mature, or be subject to redemption by the Trustee at the option of the Trustee, no later than the dates on which such moneys will be needed.

Security for the 2000 Bonds

1. *Pledged Revenues Securing the 2000 Bonds.* The 2000 Bonds are payable from and secured by the proceeds of special assessments (the 2000 "Pledged Revenues") upon property specially benefited by the 2000 Project levied and to be collected by the District pursuant to Chapter 190, 197, or 170, Florida Statutes, as amended (see "**PLAN OF FINANCE—The Series Assessments**") and by the Funds and Accounts (except for the Rebate Fund) established by the Indenture (the "2000 Pledged Funds," and, collectively with the 2000 Pledged Revenues, the "2000 Trust Estate").

2. *Priority of Payment to Other Obligations of the District.* The District has issued no other obligations secured by or payable from the 2000 Trust Estate; however, the lien in favor of the 2000 Series Assessments overlaps and is co-equal with the lien in favor of other assessments that have been or could be imposed by the District, the County or other units of local government having assessment powers within the District. The lien in favor of the 2000 Series Assessments is also co-equal with the lien in favor of County and municipal taxes. See "**PLAN OF FINANCE—The 2000 Series Assessments—Collection and Enforcement Procedures.**"

3. *Additional Parity Obligations.* The District has covenanted in the Indenture that so long as the 2000 Bonds issued thereunder remain Outstanding, it will not cause or permit to be caused any lien, charge or claim against the 2000 Trust Estate equal or prior to the lien of the Indenture, except for fees, commissions, costs, and other charges payable to the Property Appraiser or to the Tax Collector pursuant to Florida law. **ALTHOUGH THE LIEN AND THE PROCEEDS OF ASSESSMENTS SECURING THE 2000 BONDS ARE PLEDGED EXCLUSIVELY TO THE 2000 BONDS, THE LIEN OF THE ASSESSMENTS MAY BE ON THE SAME PROPERTY AS, AND THEREFORE OVERLAP AND BE CO-EQUAL WITH, THE LIEN OF OTHER ASSESSMENTS, INCLUDING AD VALOREM TAXES, WHICH HAVE BEEN OR MAY BE IMPOSED BY THE DISTRICT, LEE COUNTY, FLORIDA OR OTHER UNITS OF LOCAL GOVERNMENT HAVING ASSESSMENT POWERS WITHIN THE DISTRICT AND WILL ALSO BE CO-EQUAL WITH LIENS OF THE COUNTY AND THE SCHOOL DISTRICT.** (see "**PLAN OF FINANCE—The Series Assessments—Collection and Enforcement Procedures**").

4. *2000 Reserve Account.* The Indenture establishes within the Reserve Fund the 2000A Reserve Account and the 2000B Reserve Account. At the time of delivery of the 2000A Bonds, the 2000A Reserve Account will be funded from the proceeds of the 2000A Bonds in an amount equal to the lesser of (i) the Maximum Annual Debt Service Requirement for all Outstanding 2000A Bonds, (ii) 125% of the average annual debt service for all Outstanding 2000A Bonds, or (iii) 10% of the 2000A Bonds calculated as of the date of original issuance thereof (the "2000A Reserve Account Requirement"). At the time of delivery of the 2000B Bonds, the 2000B Reserve Account will be funded from the proceeds of the 2000B Bonds in an amount equal to the , the lesser of (i) the Maximum Annual Debt Service Requirement for all Outstanding 2000B Bonds, (ii) 125% of the average annual debt service for all Outstanding 2000B Bonds, or (iii) 10% of the proceeds of the 2000A Bonds calculated as of the date of original issuance thereof, and (B) at anytime after the date of initial issuance, shall mean 10% of the Deemed Outstanding principal amount of the 2000B Bonds, from time to time (the "2000B Reserve Account Requirement").

Simultaneously with deposit by the Trustee of 2000B Prepayment Principal into the 2000B Prepayment Subaccount, the Trustee is hereby authorized and directed to recalculate the 2000B Reserve Account Requirement and to transfer any resulting excess on deposit in the 2000B Reserve Account into the 2000B Prepayment Subaccount to be used for the extraordinary mandatory redemption of 2000B Bonds as provided for herein and therein.

The 2000A Reserve Account and the 2000B Reserve Account will be jointly held for the benefit of all of the 2000 Bonds, without distinction as to Series of 2000 Bonds and without privilege or priority of one Series of 2000 Bonds over another. Amounts on deposit in the 2000A Reserve Account and 2000B Reserve Account shall be used only for the purpose of making payments into the 2000 Interest Account, the 2000A Sinking Fund Account and the 2000B Sinking Fund Account to pay the 2000 Bonds, without distinction as to 2000 Bonds and without privilege or priority of one 2000 Bond over another, when due when the moneys on deposit in such Accounts therein and available therefore are insufficient and for no other purpose. Such Accounts shall consist only of cash and Investment Obligations.

5. Flow of Funds. The Master Indenture establishes an Acquisition and Construction Fund, a Revenue Fund, a Debt Service Fund, a Reserve Fund, a Revenue Fund, and a Rebate Fund, and provides for the establishment of a Series Acquisition and Construction Account, a Series Cost of Issuance Account, a Series Revenue Account, a Series Debt Service Account and, within that account, a Series Interest Account, a Series Principal Account, a Series Redemption Account and, within that account, a Prepayment Subaccount and an Optional Redemption Subaccount, a Series Reserve Account, and a Series Rebate Account. The First Supplemental Indenture creates within the Acquisition and Construction Fund (i) a 2000 Acquisition and Construction Account and (b) a 2000 Costs of Issuance Account; within the Debt Service Fund (a) a 2000 Debt Service Account and therein a 2000A Sinking Fund Account, a 2000B Sinking Fund Account, and a 2000 Interest Account, and (ii) a 2000 Redemption Account, and therein a 2000A Prepayment Subaccount, a 2000B Prepayment Subaccount, and an Optional Redemption Subaccount; within the Reserve Fund a 2000A Reserve Account and a 2000B Reserve Account; within the Revenue Fund a 2000 Revenue Account; and within the Rebate Account a 2000 Rebate Account.

Any balance remaining in the 2000 Acquisition and Construction Account after the Completion Date and not reserved by the District for the payment of any remaining part of the Cost of the 2000 Project, shall be transferred to and deposited in the 2000 Redemption Account and applied to the Extraordinary Mandatory Redemption of the 2000 Bonds in the order of priority set forth in the First Supplemental Trust Indenture and in the manner prescribed in the form of 2000 Bonds set forth as an exhibit to the First Supplemental Trust Indenture, all as more fully described under the caption **"SECURITIES BEING OFFERED – Redemption Provisions – Extraordinary Mandatory Redemption."**

The District shall deposit 2000 Assessment Revenues with the Trustee immediately upon receipt, together with a written accounting setting forth the amounts of such 2000 Assessment Revenues, into the following Funds and Accounts:

(i) 2000A Assessment Principal shall be deposited into the 2000A Sinking Fund Account, and 2000B Assessment Principal shall be deposited into the 2000B Sinking Fund Account;

(ii) 2000A Prepayment Principal shall be deposited into the 2000A Prepayment Subaccount in the Redemption Account, and 2000B Prepayment Principal shall be deposited into the 2000B Prepayment Subaccount in the Redemption Account;

(iii) 2000A Delinquent Assessment Principal shall first be applied to restore the amount of any withdrawal from the 2000A Reserve Account to pay the principal of 2000 Bonds, and the balance, if any, shall be deposited into the 2000A Sinking Fund Account and 2000B Delinquent Assessment Principal, which shall first be applied to restore the amount of any withdrawal from the 2000B Reserve Account to pay the principal of 2000 Bonds, and the balance, if any, shall be deposited into the 2000B Sinking Fund Account;

(iv) Delinquent Assessment Interest shall first be applied to restore the amount of any withdrawal from the 2000A Reserve Account or the 2000B Reserve Account to pay the interest on 2000 Bonds and the balance, if any, deposited into the 2000 Revenue Account; and

(v) All other 2000 Assessment Revenues shall be deposited into the 2000 Revenue Account.

Moneys other than the 2000 Assessment Revenues shall, at the written direction of the District, be deposited into the Optional Redemption Subaccount of the 2000 Redemption Account and used to pay the principal of and premium, if any, on 2000A Bonds called or to be called for optional redemption at the written direction of the District in accordance with the provisions for optional redemption of 2000A Bonds as set forth in the form of 2000A Bonds attached as an exhibit to the First Supplemental Trust Indenture.

On each May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall withdraw from the 2000 Revenue Account and, from the amount so withdrawn, shall make the following deposits in the following order of priority: (i) to the credit of the related 2000 Interest Account, an amount which will equal the amount of interest payable on the 2000 Bonds then Outstanding on such May 1 or November 1, less any amount already on deposit in the 2000 Interest Account not previously credited; (ii) to the 2000A Sinking Fund Account the amount, if any, equal to the difference between the Amortization Installments of all 2000A Bond subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the 2000A Sinking Fund Account not previously credited and, in the case of the 2000B Bonds, on the maturity date thereof, to the 2000B Sinking Fund Account, the amount, if any, equal to the difference between the then Outstanding principal amount of the 2000B Bonds and any amount already on deposit in the 2000B Sinking Fund Account not previously credited; (iii) to the 2000A Reserve Account the amount, if any, which is necessary to make the amount on deposit therein equal to the 2000A Reserve Account Requirement with respect to the 2000A Bonds and to the 2000B Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the 2000B Reserve Account Requirement with respect to the 2000B Bonds; and; (iv) the balance shall be retained in the 2000 Revenue Account.

Moneys held for the credit of the 2000 Accounts shall be invested as follows: (i) moneys held for the credit of a 2000 Acquisition and Construction Account, the 2000 Revenue Account, and the 2000 Debt Service Account shall, as nearly as may be practicable, be continuously invested and reinvested by the Trustee in 2000 Investment Obligations as directed in writing by an Authorized Officer, which Investment Obligations shall mature, or shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates, as estimated by an Authorized Officer, when moneys held for the credit of each such 2000 Account will be required for the purposes intended; (ii) moneys held for the credit of a 2000 Reserve Account shall be continuously invested and reinvested by the Trustee in 2000 Investment Obligations as directed in writing by an Authorized Officer; (iii) 2000 Investment Obligations purchased as an investment of moneys in any Fund or Account shall be deemed at all times to be a part of such Fund or Account, and the interest accruing thereon and profit realized from such investment shall be credited as follows: (1) earnings on investments in a 2000 Acquisition and Construction Account and the subaccounts therein, a 2000 Interest Account and a 2000 Revenue Account shall be deposited, as realized, to the credit of such 2000 Account and used for the purposes of such Account; (2) earnings on investments in a 2000 Principal Account and 2000 Redemption Account shall be deposited, as realized, to the credit of such 2000 Interest Account and used for the purpose of such Account; (3) earnings on investments in a 2000 Reserve Account shall be held in the respective Reserve Account if there is a deficiency therein and, if there is no deficiency, then shall be transferred to the 2000

Revenue Account; (iv) in computing the value of the assets of any Fund or Account, investments and earnings thereon shall be deemed a part thereof.

The District shall authorize the withdrawal, from time to time, from the 2000 Revenue Account an amount sufficient to pay the fees and charges of the Trustee, Bond Registrar, and Paying Agent, when due.

Subject to the provisions of the Master Indenture, the amount on deposit in the Series Interest Account, Series Principal Account, and Series Redemption Account in each Bond Year equals the interest payable on the Bonds of such Series in such Bond Year, the principal amount of Serial Bonds payable in such Bond Year, the Maturity Amount of all Capital Appreciation Bonds due in such Bond Year and the Amortization Installment required to be paid into the Series Redemption Account in such Bond Year, and if the Debt Service Reserve Account is fully funded, then any amounts remaining in the Series Revenue Account shall, at the written direction of the District, be applied to pay the commissions, fees, costs and any other charges of the Tax Collector and the Property Appraiser, or, if such commissions, fees, costs, or other charges have been paid by the District, then such amounts shall be applied to reimburse the District for such payment upon written request of an Authorized Officer. If, after such amount has been withdrawn and paid for such expenses of collection, any amounts remain in the Series Revenue Account, such amounts shall be disbursed to the District on written request of an Authorized Officer and applied to pay the operating and administrative costs and expenses of the District. After making the payments provided for in this subsection (b), the balance, if any, remaining in the Series Revenue Account shall be retained therein, or, at the written direction of an Authorized Officer to the Trustee, transferred into the Series Redemption Account.

6. Limited Obligations. The 2000 Bonds shall be limited and special obligations of the District payable solely from the 2000 Trust Estate and shall be a valid claim of the Holders thereof only against the 2000 Trust Estate. The 2000 Bonds shall not constitute a general obligation or indebtedness of the District, the State of Florida or any political subdivision thereof, within the meaning of the Constitution and laws of Florida. The 2000 Bonds shall not constitute either a pledge of the full faith and credit of the District, the State of Florida or any political subdivision thereof, or a Lien upon any property of the District, the State of Florida or any political subdivision thereof, other than as provided by the Indenture. The 2000 Bonds shall not, directly or indirectly, obligate the District, the State of Florida or any political subdivision thereof, to levy any form of taxation therefor or to make any appropriations for their payment. No Holder or any other Person shall have the right to compel the exercise of any ad valorem taxing power of the District or of any ad valorem taxing power or non-ad valorem special assessment power of any other public authority or governmental body politic to pay the principal of, or interest, and premium, if any, on the 2000 Bonds.

Redemption Provisions

1. Optional Redemption.

The 2000A Bonds may, at the option of the District, be called for redemption as a whole, at any time, or in part on any Interest Payment Date, on or after May 1, 2011 (less than all 2000A Bonds to be selected by lot), at the Redemption Prices (expressed as percentages of principal amount) set forth in the following table plus accrued interest from the most recent Interest Payment Date to the redemption date. The 2000B Bonds are not subject to optional redemption.

<i>Redemption Periods (Dates Inclusive)</i>	<i>Redemption Prices</i>
May 1, 2011 through April 30, 2012	102%
May 1, 2012 through April 30, 2013	101%
May 1, 2013 and thereafter	100%

2. Mandatory Redemption.

The 2000A Bonds maturing on May 1, 2032 are subject to mandatory redemption by lot prior to their scheduled maturity from moneys in the 2000A Sinking Fund Account at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<i>Year</i>	<i>Principal Amount</i>	<i>Year</i>	<i>Principal Amount</i>
2003	135,000.00	2018	415,000.00
2004	145,000.00	2019	445,000.00
2005	160,000.00	2020	480,000.00
2006	170,000.00	2021	515,000.00
2007	185,000.00	2022	555,000.00
2008	200,000.00	2023	595,000.00
2009	215,000.00	2024	645,000.00
2010	230,000.00	2025	690,000.00
2011	245,000.00	2026	745,000.00
2012	265,000.00	2027	800,000.00
2013	285,000.00	2028	865,000.00
2014	305,000.00	2029	930,000.00
2015	330,000.00	2030	1,000,000.00
2016	355,000.00	2031	1,080,000.00
2017	385,000.00	2032	1,160,000.00*

*maturity

The principal amounts shown above are subject to recalculation, as provided in the First Supplemental Indenture, as a result of the redemption of 2000A Bonds so as to reamortize the remaining Outstanding principal balance of the 2000A Bonds in substantially level installments of principal and interest over the remaining term.

The 2000B Bonds are not subject to mandatory redemption prior to their scheduled maturity.

2000 BONDS NOT TENDERED FOR PURCHASE ON A MANDATORY REDEMPTION DATE AND FOR WHICH THE PURCHASE PRICE IS HELD BY THE TRUSTEE SHALL BE DEEMED TENDERED FOR PURCHASE AND THEREAFTER PAYMENT OF THE PURCHASE PRICE SHALL BE SECURED ONLY BY MONEYS HELD THEREFOR BY THE TRUSTEE.

3. Extraordinary Mandatory Redemption.

(a) The 2000A Bonds are subject to Extraordinary Mandatory Redemption prior to maturity, in whole on any date or in part on any Interest Payment Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

(i) on or after the Date of Completion of the 2000 Project (as such terms are defined in the Indenture), by application of moneys transferred from the 2000 Acquisition and Construction Account in the Acquisition and Construction Fund established under the Indenture to the 2000A Prepayment Subaccount of the 2000 Redemption Account in accordance with the terms of the Indenture; or

(ii) from Prepayments (as defined in the Indenture) deposited into the 2000A Prepayment Subaccount of the 2000 Redemption Account; or

(iii) amounts, including Prepayments and amounts transferred into the 2000A Prepayment Subaccount in the 2000 Redemption Account from excess amounts on deposit in the 2000A Reserve Account are deposited into the 2000A Prepayment Subaccount of the 2000 Redemption Account; or

(iv) on the date on which the amount on deposit in the 2000A Reserve Account together with other moneys available therefor, are sufficient to pay and redeem all of the 2000A Bonds then Outstanding, including accrued interest thereon.

(b) The 2000B Bonds are subject to Extraordinary Mandatory Redemption prior to maturity, in whole on any date or in part on any Interest Payment Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

(i) on or after the Date of Completion of the 2000 Project (as such terms are defined in the Indenture), by application of moneys transferred from the 2000 Acquisition and Construction Account in the Acquisition and Construction Fund established under the Indenture to the 2000B Prepayment Subaccount of the 2000 Redemption Account in accordance with the terms of the Indenture; or

(ii) from Prepayments (as defined in the Indenture) deposited into the 2000B Prepayment Subaccount of the 2000 Redemption Account; or

(iii) amounts, including Prepayments and amounts transferred into the 2000B Prepayment Subaccount in the 2000 Redemption Account from excess amounts on deposit in the 2000B

Reserve Account are deposited into the 2000B Prepayment Subaccount of the 2000 Redemption Account; or

(iv) on the date on which the amount on deposit in the 2000B Reserve Account together with other moneys available therefor, are sufficient to pay and redeem all of the 2000B Bonds then Outstanding, including accrued interest thereon.

It is anticipated that upon the sale of parcels within the 2000 Project area by the Developer, a portion of the 2000 Series Assessments will be prepaid by the Developer. Nevertheless, and notwithstanding its presently expressed intent, the Developer is not required contractually or otherwise to make any prepayment of the 2000 Series Assessments encumbering any parcel of real property in the District. In the event the Developer decides that it is in its best interest to prepay a portion of the 2000 Series Assessments, the amount prepaid will be solely at the Developer's discretion.

4. Redemption of Portion of 2000 Bonds. In case part, but not all, of any Outstanding 2000 Bond is selected for redemption, the Holder thereof must present such 2000 Bond to the Paying Agent for payment of the redemption price of the portion so called for redemption, and the District must execute and the Trustee shall authenticate and deliver to or upon the order of such Holder, without charge therefor, for the unredeemed balance of the principal amount of the 2000 Bond so surrendered, a new 2000 Bond or the surrendered 2000 Bond with a notation evidencing the redemption.

5. Notice of Redemption. Notice of redemption must be given by the Registrar not less than 30 nor more than 45 days prior to the date fixed for redemption to any Paying Agent for the Bonds to be redeemed and to the registered Owner of each 2000 Bond to be redeemed, at the address of such Paying Agent or registered Owner on the registration books maintained by the Registrar; and a second notice of redemption shall be sent by registered or certified mail at such address to any Owner who has not submitted his Bond to the Paying Agent for payment on or before the date 60 days following the date fixed for redemption of such Bond. The notice shall require that such Bonds be surrendered at the designated corporate trust office of the Paying Agent for redemption at the redemption price and shall state that further interest on such Bonds will not accrue from and after the redemption date.

6. Failure to Provide Notice of Redemption. Failure to give notice by mailing to the Holder of any 2000 Bond designated for redemption or to any depository or information service shall not affect the validity of the proceedings of the redemption of any other 2000 Bond.

7. Effect of Notice of Redemption. On the date designated for redemption of any 2000 Bonds, notice having been filed and mailed in the manner provided in the Indenture, the 2000 Bonds called for redemption will be due and payable at the redemption price provided for the redemption of such 2000 Bonds on such date and, moneys for payment of the redemption price being held in a separate account by the Paying Agent in trust for the Holders of the 2000 Bonds to be redeemed, interest on the 2000 Bonds called for redemption will cease to accrue, such 2000 Bonds will cease to be entitled to any benefit under the Indenture, and the Holders of such 2000 Bonds will have no rights in respect thereof, except to receive payment of the redemption price thereof, and interest, if any, accrued thereon to the redemption date, and such 2000 Bonds will no longer be deemed to be Outstanding.

Book-Entry-Only System

The following information appearing under this heading is based upon information furnished by DTC for inclusion in this Limited Offering Memorandum and neither the District nor the Underwriter have independently verified such information or make any representation as to the accuracy or the completeness thereof. The procedures utilized and services offered by DTC are a matter of agreement

between DTC and its participants. There can be no assurances that the procedures described herein will always be executed or that such procedures will not be modified from time to time.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the 2000 Bonds. The 2000 Bonds will be issued as fully-registered bonds in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2000 Bond will be issued for each series of the 2000 Bonds in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Direct and Indirect Participants are on file with the Securities and Exchange Commission.

Purchases of 2000 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2000 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2000 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transactions. Transfers of ownership interests in the 2000 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2000 Bonds, except in the event that use of the book-entry system for the 2000 Bonds is discontinued.

To facilitate subsequent transfers, all 2000 Bonds deposited by Direct Participants with DTC are registered in the name of the DTC's partnership nominee, Cede & Co, or such other name as may be requested by an authorized representative of DTC. The deposit of 2000 Bonds with DTC and their registration in the name of Cede & Co. do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2000 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2000 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of the 2000 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the 2000 Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2000 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

DTC may discontinue providing its services as securities depository with respect to the 2000 Bonds at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, 2000 Bond certificates are required to be printed and delivered.

Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, 2000 Bond certificates will be printed and delivered.

Method of Computing Interest; Saturdays, Sundays and Holidays

Interest payable on the 2000 Bonds will be calculated based on a 360 day year comprised of twelve 30-day months. If the date of maturity of interest on or principal of the 2000 Bonds or the date fixed for redemption of 2000 Bonds falls on a day other than a Business Day, then payment of such interest or principal and any redemption premium need not be mailed by the Paying Agent on such date, but may be mailed on the next succeeding Business Day on which the Paying Agent is open for business with the same force and effect as if mailed on the date of maturity or the date fixed for redemption, and no interest will accrue for the period after such maturity date. The Indenture defines "Business Day" as any day excluding Saturday, Sunday, or any other day on which banks in the cities in which the designated corporate trust office of the Trustee or the Paying Agent are located are authorized or required by law or other governmental action to close and on which the Trustee or Paying Agent, or both, is closed.

PLAN OF FINANCE

General

The Developer has furnished the information appearing below under the caption "The Developer." The information provided below under the captions "**The Development**" and "**The 2000 Project**" has been provided by the Developer and by Banks Engineering, Inc., in its capacity as District Engineer. Fishkind & Associates, Inc. has provided the information provided below under the caption "The 2000 Series Assessments—Methodology," in its capacity as Financial Advisor. Although believed to be reliable, neither the District, the Underwriter nor its counsel have independently verified the information provided by such parties.

The Developer

Miromar Lakes Beach & Golf Club ("The Community"), which consists of both the land within the District and land outside the District, is a gated resort-style community including single-family homes, villas, multi-family coach homes, and commercial property. The Community is being developed by Miromar Lakes, L.L.C., a Florida limited liability company formed in 1999. As shown on the accompanying organization chart, the Developer is a member of an affiliated group of entities with operations in both the United States and Canada. The parent company, Miromar Development, Inc., is a Canadian corporation formed in 1988. Miromar Development Corp. is the Managing Member of the Developer. The Developer is headquartered in Bonita Springs, Florida. The executive officers of Miromar Development Corp.'s management team and their professional experience are as follows:

Margaret J. Miller: President and Secretary of Miromar Development Corp., President, owner and founder of Miromar Development, Inc.. Miromar Development, Corp. now operates four factory outlet centers in Canada and the United States. Ms. Miller graduated from St. Georges Williams University with a Fine Arts Degree. She worked as a Regional Sales Manager for CJAD and CJFM Radio in Montreal, Canada from 1975 to 1988, and was Vice President of Sales for Ego Publishing, Inc. from 1972 to 1975.

Jerry Schmoyer: Senior Vice President and General Manager of Miromar Development Corp., the Managing Member of Miromar Lakes, L.L.C. As Vice President, Mr. Schmoyer oversees the management of Miromar's development operations. Previously, he was General Manager for WCI's communities on the West Coast of Florida and in that capacity participated in the development of seven major communities comprising over 10,000 acres with in excess of 25,000 residential units. Those communities also included amenities, including resort facilities and nine golf courses with 180 holes of golf. Prior to that time, he was a professor of Urban Development at Louisiana State University. His education includes a master's degree in Urban Design from Harvard University and a Bachelor of Science degree from West Virginia University. In addition to his involvement in the development of numerous communities throughout Florida, he has published works pertinent to his field. Jerry Schmoyer is actively involved in the community and he serves on various boards throughout Lee County, Florida. Currently, Jerry Schmoyer is Chairman of The Foundation for Lee County Public Schools.

Steven Lewis: Controller of Miromar Lakes, LLC. Mr. Lewis is responsible for overseeing financial accounting operations for the company's properties in Florida. His experience includes real estate accounting and finance, country club management and community association management. He received a bachelor-of-science degree in Accounting from the University of Florida and is a certified public accountant. He is an active member of the Florida Institute and American Institute of CPAs and a past member of the Club Managers Association of America.

Tom Harrison. Director of Sales and Marketing for Miromar Lakes Beach & Golf Club. Mr. Harrison brings more than 30 years of real estate sales and marketing experience to the project. He has been responsible for the sales and marketing operations of numerous single family home building organizations, mixed-use residential projects and luxury home building companies. He received his bachelors degree in Business Studies from CW Post. Mr. Harrison is a member of the National, Florida and New York State Association of Realtors, Ft. Lauderdale and Naples Board of Realtors and the Florida, Texas, and Gold Coast Builders Associations. He is a licensed Real Estate Broker in Florida and New York.

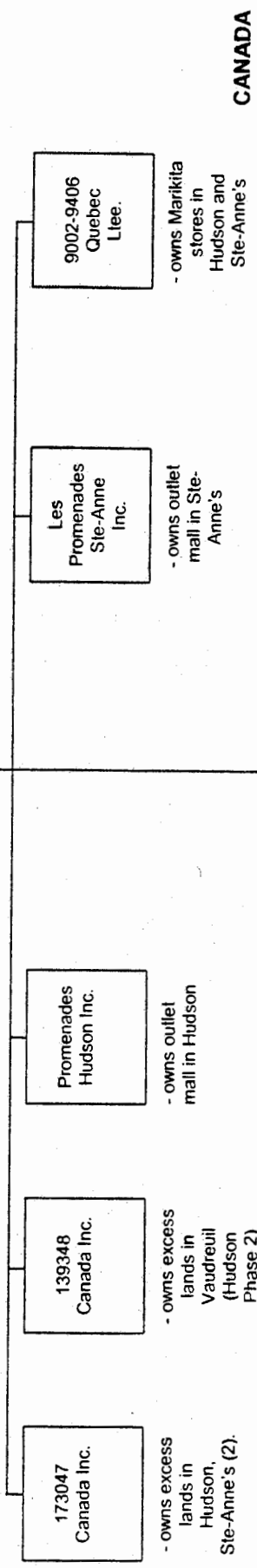
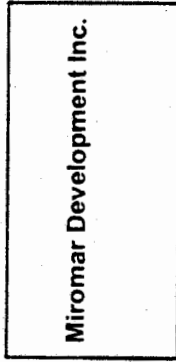
Tim Byal. Vice President of Operations for Miromar Lakes Beach & Golf Club. Mr. Byal manages the development, planning, land sales, and amenity operations for the 2000 Project. Prior to joining Miromar, he was involved in real estate consulting and design services, project management for WCI Communities, and public accounting with a big 6 firm. Mr. Byal holds a CPA and Real Estate Salesman license. He received a Bachelor of Science in Accounting from the University of Florida. Mr. Byal is active in the community, a Rotarian and alumni of Leadership Lee County and Leadership Southwest Florida.

The various Miromar entities develop, own and/or operate commercial, industrial and residential projects. In addition to the Miromar Lakes Beach & Golf Club property, Miromar Development, Inc., or its subsidiaries, currently operate the following commercial developments:

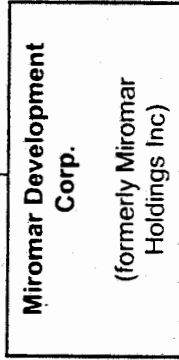
- Promenades Hudson, Montréal, Québec, Canada
22,000 sq. ft., retail space
- Promenades Ste. - Anne, Québec City, Québec, Canada
52,000 sq. ft., retail space
- Promenades Champlain, Champlain, New York
135,000 sq. ft., retail space
- Miromar Factory Outlets (Phase I), Naples/Fort Myers, Florida
193,000 sq. ft., prime retail space
- Miromar Factory Outlets (Phase II), Naples/Fort Myers, Florida
177,000 sq. ft. extension of Phase I prime retail space
- 237 Hymus Boulevard, Montréal, Québec, Canada
297,000 sq. ft. office building space
- 6900 TransCanada Highway, Montréal, Québec, Canada
60,000 sq. ft. industrial space

The following is a chart showing ownership and relationships of the Miromar group of companies:

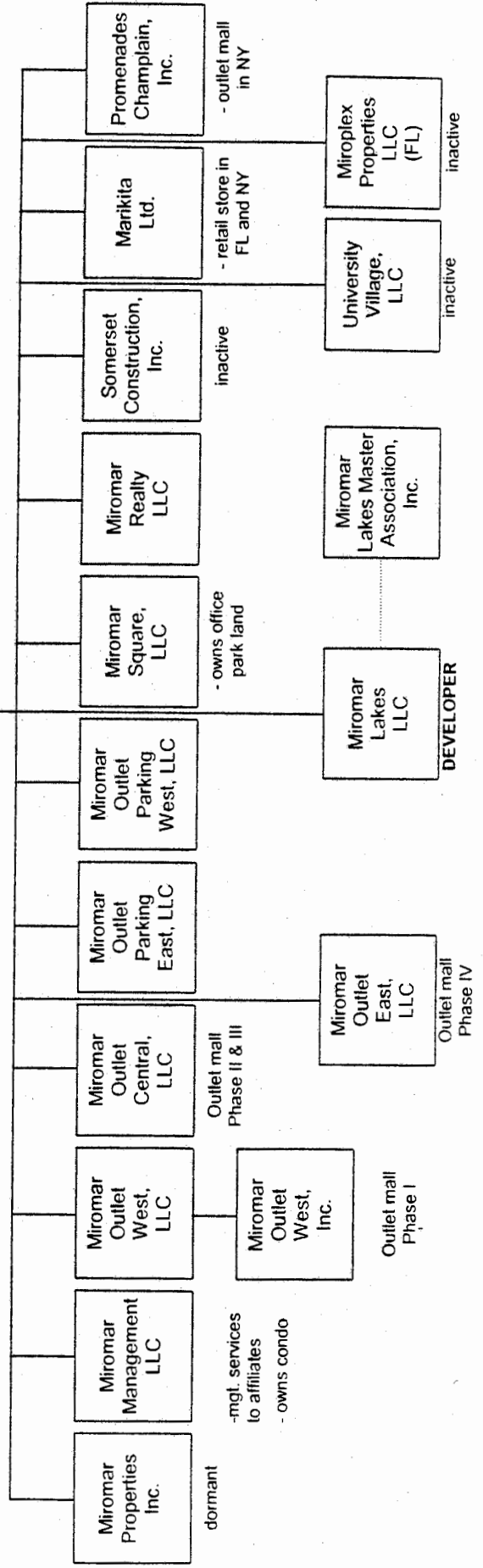
+Miromar Group of Companies



CANADA



U.S.



The Development

1. General.

The District is part of the larger Community and is the first of two community development districts that are currently planned for the Community. The land comprising the Community was purchased in two separate transactions. The initial 1,271 acre parcel, which includes the 972 acre District, was purchased in 1999 for \$16,460,000, and the initial debt associated with this parcel was paid off in 2000 and the property is not encumbered by any mortgage. The Developer purchased 488 additional acres adjoining the initial 1,271 acres in 2000 for \$10,600,000 consisting of \$1,060,000 cash at closing and a note payable for the balance, secured by a mortgage on the 488 acres. The Developer intends to acquire another 9.8 acre option parcel in 2000.

It is the Developer's intention that the Community, when completed, will consist of approximately 1,769 acres (972 of which are within the District) and will contain a maximum of 2,408 residential dwelling units (2,069 of which are anticipated to be within the District), including single-family homes, villas, multi-family coach homes, and 630,000 square feet of commercial space. The residential portion of the Miromar Lakes Beach & Golf Club community will feature amenities including 700 acres of freshwater lakes, a full service marina, a beach club and fitness center, learning center, European spa, tennis courts, concierge services, swimming pool, and two 18-hole championship golf courses. All of these amenities, except the second golf course and the freshwater lakes, will be within the District. The commercial portion of the project, which is all within the District, will include a variety of commercial uses such as retail shops, professional offices, restaurants, and a hotel. None of the commercial property has been sold or leased at this time.

The Miromar Lakes Beach & Golf Club property is located east of I-75 between Alico Road and Corkscrew Road and adjacent to Florida Gulf Coast University. The total community property has 605.6 net developable acres, 513.3 of which are within the District, plus two golf courses on approximately 350 acres, one of which is within the District. After netting out the Beach Club, Marina and Sales Center sites, there are a total of 588.4 net saleable acres, 496.10 of which are located within the District.

The original 1,271 acres is fully entitled. The project was approved by the Lee County Board of Commissioners for zoning as well as a Development of Regional Impact (DRI) on November 29, 1999. The project was approved per Final Zoning Resolution Z-99-029 and per the Miromar Lakes DRI Development Order #11-9798-142 and subsequently received approval from the South Florida Water Management District and the Army Corp of Engineers in April and July, 2000, respectively. The Developer has commenced the entitlement process for its latest acquisition of 488 acres.

The District infrastructure will be developed in three phases. Construction of Phase One improvements (the "2000 Project") began in approximately July 2000, including excavation and fill, water management system, underground utilities, road construction, and golf course construction. The construction of Phases Two and Three are anticipated to be completed by the end of the year 2006.

Table of Land Uses within the District

<u>Type of Use</u>	<u>Acreage +/-</u>	<u>% of Total</u>
Residential	558.5	57.4
Commercial	82.5	8.5
Beach Club/Marina	12.7	1.3
Golf Course/Maintenance	150.5	15.4
Club House	5.4	0.6
Right-of-Way	15.2	1.6
Preserve and Passive Recreation	56.0	5.8
Lakes	<u>91.4</u>	<u>9.4</u>
TOTAL	972.2	100.0

Source: Engineer's Report for the Miromar Lakes Community Development District,
Revised September 26, 2000

Infrastructure

The District infrastructure will generally consist of roadways, utilities, earthwork, water management, wetland mitigation, professional services, miscellaneous costs, and parks and recreation. Five and one-half miles of two-lane divided and undivided roadways and 4 lane divided roadway sections are planned within the District, which will connect to the existing public roadways that border the District.

It is anticipated that the paving of the roadways within the District will be constructed and paid for by the Developer and maintained by the Homeowners' Association and the roads will remain under private ownership. Portions of the roadbed may be paid for by the District as part of its water management program. The utilities within the District will consist of potable water, wastewater collection/transmission and irrigation systems.

It is anticipated that the potable water and wastewater collection/transmission systems will be conveyed to Lee County for ownership, operation and maintenance after construction. Currently the land within the District will be serviced for water and sewer by Gulf Environmental Services, Inc. ("GES"). Lee County has indicated an intention to purchase the GES water-sewer franchise rights. If the GES franchise water-sewer franchise area, within which the District lies, is not purchased by Lee County as anticipated, the District intends to contract with GES for maintenance and operation of the water and sewer facilities.

The stormwater management system will consist of excavated stormwater management lakes, drainage pipes, catch basins, swales, berms, and water control structures, with the golf course as a secondary flood zone in order to protect the residences within the community. Stormwater will discharge from water control structures to permitted discharge points along the large wetland preserve to the south and then in a westerly direction for approximately one mile to the head-waters of the Estero River.

The following is the District Engineer's summary of probable costs in 2000 dollars for the project infrastructure. These costs do not include legal, administrative, financing, operation or maintenance services necessary to finance and operate the District infrastructure, but do include approximately a 10% contingency for the entire costs of District infrastructure.

Summary of Probable Cost

Project costs to date have been funded by cash from the Developer including cash from affiliated entities. Funds provided by the Developer's affiliates have been accounted for as intercompany loans rather than equity. The intercompany loans are unsecured. The Developer will pay debt service on the 2000 Bonds related to property it owns in the District from property sales and related revenues, equity contributions, and inter company funds, as needed.

Summary of Probable Cost

(Cost in Thousands of Dollars)

Miromar Lakes Infrastructure Improvements	Developer Funded Infrastructure	District Funded Infrastructure	Total Infrastructure Cost
Phase I	\$ 7,530	\$33,117	\$40,647
Phase II	4,056	9,163	13,219
Phase III	9,805	16,882	26,687
Total Infrastructure Improvements	\$21,391	\$59,162	\$80,553

Source: Engineer's Report for the Miromar Lakes Community Development District,
Revised November, 2000

A location map and site plan of the Development and a detail of probable costs are included in **Appendix B—"The District Engineer's Report and Supplemental Engineer's Report."**

2. Permitting.

The District Engineer will certify that all permits necessary to complete the 2000 Project have either been obtained as specified in the "General" section above or, in its expert opinion, will be obtained and that there is no reason to believe that the necessary permits cannot be obtained for the entire development.

3. Ownership of Land Within the District

The land within the District is owned by the Developer, Miromar Lakes, L.L.C., except for those parcels sold to third parties, as follows: (a) Tract E (consisting of 30 single family homesites) was sold to Miromar Empire Realty Trust on August 31, 2000, (b) a single family lot (Block A, Lot 6) was sold to Harbourside Custom Homes, Inc. on October 13, 2000, (c) a single family lot (Block A, Lot 5) was sold to Breakwater Custom Homes, Inc. on October 17, 2000, and (d) a single family lot (Block A, Lot 8) was sold to Lyons Land Corp., LLC on October 16, 2000.

The 2000 Project and the Miromar Lakes Beach & Golf Club

1. General

Proceeds of the 2000 Bonds deposited into the Acquisition and Construction Account will be used to finance, construct, and acquire infrastructure (the "2000 Project") relating to that portion of the Miromar Lakes Beach & Golf Club (the "Community") within the District. A more detailed description of the 2000 Project is included in Appendix "B."

2. Land Sales

The Developer has prepared a forecasted pro forma for its expected cash flow which is summarized in this section.

The Community will include 116.87 acres of single-family property yielding 238 units, approximately 176 of which are currently intended to be within the District. Single-family home sites will be sold to individual builders beginning in mid 2000. Direct sales to end users will commence in late 2000 or early 2001. It is forecasted that 50% of the 2001 home site sales will be to end users with the end user sale percentage increasing to 75% for 2002 and future years. Sales prices start at an average of \$175,000 for dry sites and \$215,000 for lake sites. It is currently expected that sales prices will be increased at a rate of 8% beginning in 2001.

The Community will include 380.93 acres of villa and multi-family product yielding approximately 2,170 units, approximately 1,893 of which are currently intended to be within the District. Villa and multi-family land will be sold on a per acre basis to builder/developers beginning in 2000. Sales prices start at \$275,000 per acre. Sales prices increase to \$310,000 per acre for golf front parcels and \$400,000 per acre for lake front parcels. It is currently expected that sales prices will be increased at a rate of 4% beginning in 2001.

The Community includes 90.58 acres of commercial, mixed-use and other property, all of which is currently intended to be within the District. The 60.38 acre commercial parcel on the north end of the Community is priced at \$4.50 per square foot, and the 22.15 acre mixed-use parcel on the golf course is priced at \$5.00 per square foot. It is currently expected that sales prices will be increased at 4% per year.

Each of the following builders have been qualified to participate in the Developer's community builder program and have each executed agreements with the Developer to purchase at least three lots for construction of housing within the District. Three of the lots have been closed and models are currently under construction and the remaining lots are under contract and expected to close prior to the end of December, 2000.

Arthur Rutenberg/Lyons Homes
Tim Rose/Bobby Lyons
12220 Towne Lake Drive, #1
Ft. Myers, FL 33913

Empire Builders
 Rick Melson/Bill Slavich
 5660 Strand Court
 Naples, Florida 34110

Breakwater Custom Homes
 Richard Cox, President
 1750 J&C Boulevard
 Naples, FL 34109

Harbourside Custom Homes
 Frank Jenkins/Jerry Colton
 8800 Signal Road, Suite 2
 Bonita Springs, FL 34135

Florida Bay Communities
 Nick Sheperd
 3200 Bailey Lane, #117
 Naples, FL 34105

Centex Homes
 Doug Cohen
 5801 Pelican Bay Boulevard, #600
 Naples, Florida 34108

Property Sales*
November, 2000

Product Type	Closed	Contracts	Reservations	Total
Single Family Lots	3 Lots	15	13	31
Single Family Villa Parcels	71 Parcels	0	0	71
Multi-family Parcels	0 Parcels	80 Parcels	0	80

*provided by Developer

The neighborhoods currently intended to be within the District consist of *Verona Lago*, featuring waterfront single family home sites, *Montova*, featuring luxury villa home sites, and *Valencia*, featuring coach homes. Within *Verona Lago* there are currently reservation deposits from individuals for 15 single family home sites for a total price of \$2,955,000, contracts with builders on 15 additional single family home sites for a total price of \$2,765,000 (three of which have now closed), and 4 boat dock/house reservations for a total price of \$120,000.

3. Golf Courses

The first 18-hole golf course, which is within the District boundaries, was designed by Arthur Hills. The course is currently under construction and is expected to open in the first quarter of 2001. The course is owned and will be operated and managed by the Developer. The construction budget is

\$11,278,000 (exclusive of land costs, equipment, clubhouse and maintenance building) and the cost of the construction will be paid for by the Developer, except for areas needed by the District for water management. Initially the club will operate from a temporary clubhouse, and the permanent clubhouse is expected to open in 2003. Memberships are available to residents of Miromar Lakes starting at \$35,000. It is currently expected that prices will be increased by \$1,500 after every 15 membership sales. Nonresident callable memberships and annual memberships will be available in the early years of the club. These memberships will be phased out as resident memberships are sold. The club will be considered an initiation fee course with the developer maintaining title and control. Resigning members will receive 90% of the then going membership price. Golf club membership is optional. The facility is planned as a semi-private, non-equity club.

The second golf course, which is not within the District boundaries, is budgeted for construction in 2005. Again, it is anticipated that initial operations will be from a temporary clubhouse with a permanent facility to open in approximately 2008. It is expected that membership sales will commence in 2006 at a price of \$105,000 and it is currently expected that prices will be increased by \$2,500 after every 15 membership sales. This club will also be considered an initiation fee course with the developer maintaining title and control. Resigning members will receive 90% of the then going membership price. It has not been determined whether the club will be converted to an equity club. Golf club membership is optional.

4. Amenity Fee Reimbursement

The Developer will receive an amenity fee payable at the closing of each single-family home site and at closing with end users of villa and multi-family products. The fee is written into all contracts and is a contribution to the Developer for the amenities constructed and paid for by the Developer that are located within the community. The fee will begin at \$2,500 and may be increased thereafter in the Developer's discretion.

5. Development Costs

The development cost estimates were generated by the project engineer, outside consultants and in-house staff. See Appendix "B." Construction began in July of 2000 with community entry features, the first golf course, the first single-family neighborhoods and approximately 2,200 linear feet of roadway.

6. Beach Club and Marina

The Beach Club currently planned to be built in two phases beginning in 2001. The Marina is forecasted for construction in 2003. The Beach Club and Marina will become common area of Miromar Lakes Master Association, Inc. Each owner of residential property within the community will pay assessments to the Master Association to use the Beach Club, Marina, and common areas. The assessments and fees will vary from time to time, however it is currently expected that the annual assessments and fees to the Master Association will be approximately \$1,850 in the first year.

2000 Project Improvement Acquisition Agreement

Pursuant to a Project Improvement Acquisition Agreement, dated December 21, 2000, (the "Project Improvement Acquisition Agreement"), between the Developer and the District, the Developer will agree to construct and equip a portion of the 2000 Project and sell, convey, dedicate or otherwise make available that portion of the 2000 Project to the District. The amount to be paid to the Developer

must be approved by the District Manager and the value confirmed by the District Engineer. The amount of the acquisition price is currently unknown, but it is estimated that the entire 2000 Project will be constructed by the Developer and acquired by the District.

The District is also expected to acquire Water Management and Mitigation Land from the Developer.

The 2000 Series Assessments

The information appearing below under the caption "*Methodology*" has been provided by Fishkind & Associates, Inc., in its capacity as Financial Advisor to the District. The information is included herein in reliance upon the expertise of such firm and although believed by the Underwriter to be reliable, has not been independently verified by the Underwriter or its counsel. No person other than the Financial Advisor makes any representation or warranty as to the accuracy or completeness of such information.

1. General. Chapter 170, Florida Statutes, as amended, as authorized for use by Chapter 190, Florida Statutes, as amended, provides that payment of the 2000 Series Assessments is secured by a lien on the real property in the District coequal with all State, County, District and municipal taxes, superior in dignity to all other liens, titles and claims on such real property. The District covenants in the Indenture to assess, levy, collect or cause to be collected the 2000 Series Assessments and to transfer the proceeds of such 2000 Series Assessments to the Trustee within one day of receipt thereof by the District.

2. Collection. The District will use the uniform method for levy, collection, and enforcement of non-ad valorem assessments set forth in Section 197.3632, Florida Statutes, as amended, pursuant to which the District must certify to the Tax Collector a non-ad valorem assessment roll by September 15 of each year. Under the uniform method of collection, the Tax Collector will include on the tax notice issued pursuant to Section 197.3635, Florida Statutes, as amended, the dollar amount of the 2000 Series Assessments so certified. The District further intends to ensure that a written agreement with the Tax Collector is entered into and maintained in accordance with Section 197.3632(2), Florida Statutes, as amended, in order to permit the 2000 Series Assessments to be billed and collected by the Tax Collector pursuant to Section 197.3632, Florida Statutes, as amended. See "*Collection and Enforcement Procedures*" below. The terms of such agreements are typically for one year, automatically renewable for successive annual periods.

The Assessment Resolution levying the 2000 Series Assessments has been adopted and adjusted by the District. The collection method permits up to a 4% discount for early payment of assessments and the assessment amounts. The Tax Collector and Property Appraiser each charge for billing and collecting the 2000 Series Assessments.

Simultaneously with the delivery of the 2000 Bonds, it is anticipated that the District will enter into a Collection Agreement with Severn Trent Environmental Services/Gary L. Moyer, P.A., to act as collection agent (the "Collection Agent") to monitor payments of the Assessments. Pursuant to the Collection Agreement, the District will record an instrument with the Lee County Clerk's Office evidencing the requirements of payment of Assessments including any prepayment of Assessments on properties subject to Assessments. The Collection Agent will be authorized to release the applicable lien upon receipt of each Assessment. The Collection Agreement establishes procedures for the Collection Agent to monitor the status of properties subject to an Assessment and requires the Collection Agent to assure delivery of the payment to the Trustee.

3. Methodology. The capital improvement program planned by the District will confer special and peculiar benefits to all developable land within the District. The capital improvement program is based upon the proposed development program. For a more specific description of the development program relating to the lands benefited by the 2000 Bonds, see **Appendix C—"Master Assessment Methodology and Supplemental Assessment Methodology Phase 1 Miromar Lakes Community Development District."**

The 2000 Series Assessments are allocated and levied among the various specially benefited parcels in the District on the basis of projected development levels. For purposes of allocation, the types of special benefits provided are divided into two groups: (a) roadway related and (b) all other benefits. Special benefits from the roadway improvements will be allocated to land uses, in part, on the basis of trip generation rates. Non-roadway improvements and the benefit they confer will be allocated to land within the District on the basis of development density and intensity, as measured in equivalent residential units

A. Allocation of Roadway Special Benefits. The first step in allocating roadway benefits was to use the Engineer's Report to identify benefits that were clearly roadway related. Once identified, the ratio of roadway improvements to nonroadway improvements was multiplied by the amount of Bond financing. The product of this calculation is the amount of Bond financing that is allocated to total roadway improvements.

The next step was to break down the total allocation of roadway related improvements among the various land use categories. For this calculation, the volume of trips each type of land use category will generate were measured using the Institute of Traffic Engineers 5th edition of *Trip Generation*. Based on this information, each category of land use was assigned a portion of the total roadway improvement costs on the basis of its trip generation rates and resulting traffic volume.

B. Allocation of All Other Special Benefits. Nonroadway improvements provided by the District include landscaping, drainage and security, among other things. These costs are allocated to land within the District on the basis of development density and intensity as measured by equivalent residential units. The costs of all nonroadway improvements are allocated on the basis of the share of equivalent residential units represented by each particular class of property. See Appendix "C."

In addition, special benefits peculiar to the parcels from those systems, facilities and services being funded were determined to exceed the cost thereof including added value, added enjoyment and added use of the parcels subject to the Series Assessment.

4. Prepayment. Pursuant to the terms of applicable state law, the owner of property subject to 2000 Series Assessments may pay the entire balance of the Assessment remaining due, without interest, within thirty days after the 2000 Project has been completed and the Board of Supervisors has adopted a resolution accepting the 2000 Project as provided by Florida Statutes, Section 170.09, as amended. The Assessment Resolutions levying the 2000 Series Assessments provide that the owner of any property subject to the 2000 Series Assessments may, after the 30-day period described above, (i) pay the remaining unpaid balance, plus certain interest to accrue, at any time and (ii) pay a portion of the remaining unpaid balance, but only one time. The 2000A Bonds and 2000B Bonds will be subject to extraordinary mandatory redemption, in whole on any date or in part on any Interest Payment Date at a redemption price of 100% of the principal amount of thereof, without premium, together with accrued interest to the redemption date, from amounts deposited into the 2000A Prepayment Subaccount and

2000B Prepayment Subaccount, respectively, of the 2000 Redemption Account representing such prepayments (see "**SECURITIES BEING OFFERED—Redemption Provisions—Extraordinary Mandatory Redemption**" herein).

5. Collection and Enforcement Procedures. The primary sources of payment for the 2000 Bonds are the 2000 Series Assessments imposed on lands within the District subject to assessment pursuant to the Assessment Resolutions. To the extent that landowners fail to pay such 2000 Series Assessments, delay payments, or are unable to pay the same, the successful pursuance of collection procedures available to the District is essential to continued payment of principal of and interest on the 2000 Bonds. The Act provides for various methods of collection of assessments, including delinquent assessments, by reference to other provisions of the Florida Statutes. The following is a description of certain statutory provisions of special assessment payment and collection procedures appearing in the Florida Statutes, but is qualified in its entirety by reference to such statutes.

The District will levy 2000 Series Assessments that will be payable in no more than 30 annual installments. Pursuant to Florida law, the District has held all public hearings and taken all other steps necessary to use the uniform method of collecting and enforcing non-ad valorem assessments by the Tax Collector. It is anticipated that the District will directly collect the 2000 Series Assessments until such time as the land encumbered by such 2000 Assessments is platted and a separate tax parcel identification number has been issued by the Property appraiser for that land. Unless the District is using the uniform method of collecting the 2000 Series Assessments provided by Chapter 197, Florida Statutes, the District must collect delinquent assessments in accordance with Section 170.10, Florida Statutes, by instituting the necessary legal proceedings to enforce payment through foreclosure of the lien on the property or, alternatively, pursuant to Chapter 173, Florida Statutes. Once the District begins utilizing the uniform method of collection, the District intends annually to take such further actions as are required to effectuate the collections of 2000 Series Assessments under the uniform method of collection provided by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, as amended.

The determination, order, levy and collection of 2000 Series Assessments must be done in compliance with procedural requirements and guidelines provided by law. All taxes and non-ad valorem special assessments shown on the tax notice must be paid in whole, as the Tax Collector cannot accept partial payments. Failure by the District, the Tax Collector or the Property Appraiser to comply with such requirements could result in delays in the collection of, or the complete inability to collect, annual installments of 2000 Series Assessments during any year pursuant to the uniform method. Such delays in the collection of, or complete inability to collect, annual installments of 2000 Series Assessments pursuant to the uniform method could have a material adverse effect on the ability of the District to make full or punctual payment of debt service on the 2000 Bonds (see "**RISK FACTORS**" herein).

Taxes for each year and non-ad valorem assessments billed by the Tax Collector on the tax notice are payable during the period commencing November 1 of such year and ending March 30 of the following year. If the amounts on the tax notice (including the annual installments of 2000 Series Assessments) are paid during the November following the billing or during the succeeding three months, the taxpayer is granted a discount equal to four percent (4%) in November and decreasing one percent (1%) per month to one percent (1%) in February. All unpaid levies become delinquent on April 1 of the year following the November in which they are billed. Commencing in April, a one percent (1%) per month penalty accrues on the unpaid tax notice. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process.

Collection of delinquent taxes is, in essence, based upon the sale by the Tax Collector of "tax certificates" on the assessed parcel and the remittance to the District of the proceeds of such sale. In the

event of a delinquency in the payment of taxes or non-ad valorem special assessments, the landowner may, prior to the sale of tax certificates, pay delinquent taxes plus an interest charge of up to eighteen percent (18%) per annum on the amount of delinquent taxes. If the landowner does not act, the Tax Collector is required to sell a tax certificate to the person who pays the levies owing and interest and penalties thereon and certain costs, and who accepts the lowest interest rate (not to exceed 18% per annum) to be borne by the certificate. If there are no bidders, the County is to hold, but not pay for, tax certificates with respect to the property, bearing interest at the maximum legal rate of interest. The County may sell such certificates to the public at any time at the principal amount thereof plus interest at the rate of not more than eighteen percent (18%) per annum and a fee. The demand for such certificates is dependent upon various factors which include the interest (and the rate thereof) which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates (which may be subject to "tax deed" sale after 2 years at the demand of the certificate holder). The underlying market value of the property in the District should determine the demand for such property and the expectation of successful collection of delinquent annual installments of 2000 Series Assessments thereon which are the primary source of payment of the 2000 Bonds.

Any tax certificate in the hands of a person other than the County may be redeemed and canceled by anyone prior to the time a tax deed is issued or the property is placed on the list of lands available for sale. The person effecting such redemption must pay the face amount of the certificate and interest at the rate borne by the certificate plus costs and other charges. Regardless of the interest rate actually borne by the certificates, persons redeeming tax sale certificates must pay a minimum interest rate of five percent (5%), unless the rate borne by the certificates is zero percent (0%). The proceeds of such a redemption are paid to the Tax Collector, who transmits to the holder of the tax certificate such proceeds less service charges, and the certificate is canceled. Redemption of tax certificates held by the County is effected by purchase of such certificates from the County, as described below.

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

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

If the County holds a tax certificate and has not succeeded in selling it, the County may apply for a tax deed after the County's ownership of such certificate for two years. The County pays costs and fees to the Tax Collector but not any amount to redeem other outstanding certificates covering the land. The public bidding on non-homestead property must start at a minimum bid equal to the value of all outstanding certificates, plus omitted years taxes, delinquent taxes, interest and all costs and fees paid by the County. The minimum bid on homestead property must also include an amount equal to one-half of the latest assessed value of the homestead. If there are no bidders, the County may purchase the land for the opening minimum bid. After ninety days, any person or governmental unit may purchase the land without further notice or advertising by paying the opening minimum bid to the County. Levies accruing after the date of public sale do not require repetition of this process, but are added to the required minimum bid. Seven years after the date of public sale, unsold lands escheat to the county in which they are located and all tax certificates and liens against the property will be canceled and the clerk will execute a tax deed vesting title in the Board of County Commissioners, with no liability to the County.

As reported for the years 1994-1999, the following table indicates the amount of County, special district and municipal ad valorem property related revenue levied and collected and the amount of tax certificates sold by the County.

	1994 (000's)	1995 (000's)	1996 (000's)	1997 (000's)	1998 (000's)	1999 (000's)
Total Tax Levy	\$414,338	\$419,146	\$436,408	\$463,164	\$514,820	\$560,490
Tax Collections	\$414,098	\$415,425	\$433,743	\$458,846	\$512,666	\$556,706
Discounts Allowed	<u>-12,202</u>	<u>23,296</u>	<u>12,924</u>	<u>13,491</u>	<u>16,266</u>	<u>18,261</u>
Taxes Collected + Discounts	\$401,896	\$403,230	\$420,819	\$445,355	\$496,400	\$538,445
Percent of Total Taxes Collected + Discounts to Tax Levy	97.00%	96.20%	96.43%	96.15%	96.42%	96.07%

Source: Office of the Lee County Tax Collector and Property Appraiser

Neither the District nor the Underwriter has independently investigated or verified the property data in the table above and neither assumes responsibility for the accuracy or completeness of the information contained therein. The summary of real property taxes and tax certificates were obtained by the Underwriter from the Lee County Tax Collector and Property Appraiser.

Neither the District nor the Underwriter can give any assurance to the holders of the 2000 Bonds (1) that the past experience of the County with regard to tax or special assessment delinquencies as shown above is applicable in any way to the 2000 Series Assessments, (2) that future landowners and taxpayers in the District will pay such 2000 Series Assessments, (3) that a market may exist in the future for the aforementioned tax certificates in the event of sale of such certificates for taxable units within the District, and (4) that eventual sale of tax certificates for real property within the District, if any, will be for an amount sufficient to pay amounts due under the Indenture to discharge the Assessment lien and all other liens that are coequal therewith.

DEBT SERVICE SCHEDULE*

<u>Year</u>	<u>Series 2000A Bonds</u>		<u>Series 2000B Bonds</u>		<u>Total of Principal and Interest**</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Both Bonds</u>
12/21/2000	--	--	--	--	--
5/01/2001	--	446,494.79 ✓	--	827,557.29 ✓	1,274,052.08
11/01/2001	--	535,793.75 ✓	--	993,068.75 ✓	1,528,862.50
5/01/2002	--	535,793.75	--	993,068.75	1,528,862.50
11/01/2002	--	535,793.75	--	993,068.75	1,528,862.50
5/01/2003	135,000.00	535,793.75	--	993,068.75	1,663,862.50
11/01/2003	--	530,815.63	--	993,068.75	1,523,884.38
5/01/2004	145,000.00	530,815.63	--	993,068.75	1,668,884.38
11/01/2004	--	525,468.75	--	993,068.75	1,518,537.50
5/01/2005	160,000.00	525,468.75	--	993,068.75	1,678,537.50
11/01/2005	--	519,568.75	--	993,068.75	1,512,637.50
5/01/2006	170,000.00	519,568.75	--	993,068.75	1,682,637.50
11/01/2006	--	513,300.00	--	993,068.75	1,506,368.75
5/1/2007	185,000.00	513,300.00	--	993,068.75	1,691,368.75
11/01/2007	--	506,478.13	--	993,068.75	1,499,546.88
5/01/2008	200,000.00	506,478.13	--	993,068.75	1,699,546.88
11/01/2008	--	499,103.13	--	993,068.75	1,492,171.88
5/01/2009	215,000.00	499,103.13	--	993,068.75	1,707,171.88
11/01/2009	--	491,175.00	--	993,068.75	1,484,243.75
5/01/2010	230,000.00	491,175.00	--	993,068.75	1,714,243.75
11/1/2010	--	482,693.75	--	993,068.75	1,475,762.50
5/01/2011	245,000.00	482,693.75	--	993,068.75	1,720,762.50
11/01/2011	--	473,659.38	--	993,068.75	1,466,728.13
5/01/2012	265,000.00	473,659.38	27,395,000.00	993,068.75	29,126,728.13
11/01/2012	--	463,887.50	--	--	463,887.50
5/01/2013	285,000.00	463,887.50	--	--	748,887.50
11/01/2013	--	453,378.13	--	--	453,378.13
5/01/2014	305,000.00	453,378.13	--	--	758,378.13
11/01/2014	--	442,131.25	--	--	442,131.25
5/01/2015	330,000.00	442,131.25	--	--	772,131.25
11/01/2015	--	429,962.50	--	--	429,962.50
5/01/2016	355,000.00	429,962.50	--	--	784,962.50
11/01/2016	--	416,871.88	--	--	416,871.88
5/01/2017	385,000.00	416,871.88	--	--	801,871.88
11/01/2017	--	402,675.00	--	--	402,675.00
5/01/2018	415,000.00	402,675.00	--	--	817,675.00
11/01/2018	--	387,371.88	--	--	387,371.88
5/01/2019	445,000.00	387,371.88	--	--	832,371.88
11/01/2019	--	370,962.50	--	--	370,962.50
5/01/2020	480,000.00	370,962.65	--	--	850,962.50
11/01/2020	--	353,262.50	--	--	353,262.50
5/01/2021	515,000.00	353,262.50	--	--	868,262.50
11/01/2021	--	334,271.88	--	--	334,271.88

5/01/2022	555,000.00	334,271.88		889,271.88
11/01/2022	--	313,806.25		313,806.25
5/01/2023	595,000.00	313,806.25		908,806.25
11/01/2023	--	291,865.63		291,865.63
5/01/2024	645,000.00	291,865.63		936,865.63
11/01/2024	--	268,081.25		268,081.25
5/01/2025	690,000.00	268,081.25		958,081.25
11/01/2025	--	242,637.50		242,637.50
5/01/2026	745,000.00	242,637.50		987,637.50
11/01/2026	--	215,165.63		215,165.63
5/01/2027	800,000.00	215,165.63		1,015,165.63
11/01/2027	--	185,665.63		185,665.63
5/01/2028	865,000.00	185,665.63		1,050,665.63
11/01/2028	--	153,768.75		153,768.75
5/01/2029	930,000.00	153,768.75		1,083,768.75
11/01/2029	--	119,475.00		119,475.00
5/01/2030	1,000,000.00	119,475.00		1,119,475.00
11/01/2030	--	82,600.00		82,600.00
5/01/2031	1,080,000.00	82,600.00		1,162,600.00
11/01/2031	--	42,775.00		42,775.00
5/01/2032	1,160,000.00	42,775.00		1,202,775.00
TOTAL	14,530,000.00	23,615,426.15	27,395,000.00	22,675,069.79
				88,215,495.94

* Annual debt service totals are based on 5/1 and 11/1 payments in each year.

** Totals are subject to change due to reamortizations resulting from prepayments of assessments.

RISK FACTORS

In analyzing the 2000 Bonds, prospective purchasers should carefully consider the following risk factors, among others, that may adversely affect the security for the 2000 Bonds. This caption does not purport to summarize all risks that may be associated with purchasing or owning the 2000 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety for a more complete description of investment considerations relating to the 2000 Bonds.

1. There has been no appraisal on the property within the District. As such, an investor has no independent verification that the property that will be assessed for the repayment of the 2000 Bonds will be of sufficient value to provide assurance that the 2000 Bonds will be paid should the property be sold to satisfy the debt.

2. The 2000 Series Assessments have been levied on all real property in the District, much of which is owned by the Developer. Until further sales and development of property in the District occurs, payment of the 2000 Series Assessments is in large part dependent upon their timely payment by the Developer. In the event of the institution of bankruptcy or similar proceedings with respect to the Developer, or any other subsequent significant owner of property within the District, there could be delays or a diminution in the payment of debt service on the 2000 Bonds as such bankruptcy could negatively impact the ability of the District to foreclose the Assessment Lien and to sell the encumbered property. In such event, the interests of the holders of the 2000 Bonds would be adversely affected.

3. Unpaid 2000 Series Assessments do not constitute a personal indebtedness of the owners of the specially benefited land within the District, but only constitute a lien upon the specially benefited land.

There is no assurance that the property owners will be able to pay the 2000 Series Assessments or that they will pay such 2000 Series Assessments even though financially able to do so. Failure by owners of the specially benefited land to pay the 2000 Series Assessments when due or the inability of the District to foreclose the Assessment Lien and sell the encumbered property for amounts sufficient to cover delinquent 2000 Series Assessments levied against such land may result in the inability of the District to make full or punctual payment of debt service on the 2000 Bonds.

4. The remedies available to the Trustee and the owners of the 2000 Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions that are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by federal, state and local law and in the Indenture and the 2000 Bonds, including, without limitation, the imposition of the 2000 Series Assessments and the issuance of the Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2000 Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery and by principles of equity. The inability, either partially or fully, to enforce remedies available respecting the 2000 Bonds could have a material adverse impact on the interest of the owners thereof.

5. No application for a rating on the 2000 Bonds has been made. Nor is there any reason to believe that the District would have been successful in obtaining an investment grade rating for the 2000 Bonds had application been made.

6. Miromar Lakes Community Development District may be affected by changes in general economic conditions, fluctuations in the real estate market, and other factors. In addition, the proposed development is subject to comprehensive federal, state, and local regulations and future changes to such regulations. Approval is required from various public agencies in connection with, among other things, the design, nature, and extent of required public improvements, both public and private, and construction of the 2000 Project in accordance with applicable zoning, land use, and environmental regulations for the development. Although the Engineers believe that all permits and approvals are capable of being obtained, in the event that those permits or approvals are not forthcoming or are significantly delayed, the ability of the Developer to develop the District would be significantly impaired or frustrated.

7. Although the maturity of the 2000 Bonds may be accelerated in the event of a default as described in the Indenture, the assessments that are the source of repayment of the 2000 Bonds cannot be accelerated and therefore the ability of the maturity of the 2000 Bonds to be accelerated is not practically available.

8. Unless the District utilizes the uniform method of collecting assessments it cannot make use of the collection remedies, including the sale of tax certificates, provided by Chapter 197, Florida Statutes. Once the District utilizes the uniform method of collection, the assessments will be included on the tax bill with many other taxes. Many county, school district, and special district taxes and special assessments, and voter approved ad valorem taxes levied to pay principal of and interest on bonds, including the 2000 Special Assessments levied by the District, are payable at one time. If a taxpayer does not make complete payment, such taxpayer cannot designate specific tax bill line items as deemed paid in full. The Tax Collector will not accept partial payment and any partial payment is returned to the taxpayer. Therefore, any failure to pay any one line item, whether it be the Special Assessments or some other line item, will cause the Special Assessments to not be collected to that extent, which could have a significant adverse impact on the District's ability to make full or punctual payment of debt service on the 2000 Bonds.

9. On August 14, 1997 W. Dexter Bender and Associates, Inc. issued a Phase I Environmental Audit on the property within the District. The report indicates that there is a potential for a petroleum contamination of the soil or groundwater in one area of the property, stating, "Located on the east end of the property is a stockpile/dump site utilized by Florida Rock Industries, it appears that waste oil and/or hydraulic oil has been dumped over time in a small area...Except for the area mentioned above, the potential for environmental concerns as related to hazardous waste or toxic contaminants or petroleum product is unlikely on the rest of the 900 acre parcel." The Phase I Audit recommended a Phase II Audit for the area of concern. At the closing of the purchase of the initial property, the seller agreed to perform a Phase II Audit and pay for any costs associated with the clean up. The Developer has recently engaged the services of Missimer International, Inc. to perform an Environmental Site Assessment update. That update states as follows, "The results of Missimer International's site inspection, historic research, review of government agency files and lists, and interviews, revealed no evidence that would suggest that the environmental integrity of the site has changed since the completion of the April 1997 Phase I Environmental Site Assessment, with the exception that the area of potential contamination with petroleum products initially identified by W. Dexter Bender and Associates is no longer evident." The update report also stated, "The volume of fuel-impacted soil appeared to be small (< 1 cubic yard) and is not believed to be a significant environmental concern."

LEGAL MATTERS

Validation

The Bonds, of which the 2000 Bonds are the first Series, were validated by a Final Judgment of the Twentieth Judicial Circuit Court in and for Lee County, Florida, issued November 6th, 2000, and the period during which an appeal could be taken from that judgment expired with no appeal having been filed.

Section 75.09, Florida Statutes, as amended, provides that a final judgment validating bonds and taxes, assessments or revenues pledged for the payment thereof, from which no appeal is taken or from which an appeal is taken and the judgment is affirmed, is forever conclusive as to all matters adjudicated against a plaintiff and all parties affected thereby, including all property owners and taxpayers and all others having or claiming any right, title or interest in property to be affected by the issuance of said bonds, certificates or other obligations or to be affected in any way thereby, and the validity of said bonds, certificates or other obligations or of any taxes, assessments or revenues pledged for the payment thereof, or of the proceedings authorizing the issuance thereof, including any remedies provided for their collection, shall never be called in question in any court by any person or party. The scope of judicial review, however, focuses on whether: (1) a public body has the authority to incur the obligation; (2) the purpose of the obligation is legal; and (3) the proceedings authorizing the obligation were proper. A final judgment validating bonds does not preclude a party from challenging the validity of such bonds or certificates on constitutional grounds.

Enforceability of Remedies

The remedies available to the holders of 2000 Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions that are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by the Trust Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2000 Bonds will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors, whether enacted before or after such delivery.

Litigation

According to the District Counsel, there is no litigation of any nature now pending or threatened with regards to the District restraining or enjoining the issuance, sale, execution or delivery of the 2000 Bonds, or in any way contesting or affecting the validity of the 2000 Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the 2000 Bonds, or the existence or powers of the District.

Legal Proceedings

All legal matters related to the authorization, issuance, sale, and delivery of the 2000 Bonds will be passed upon by Nabors, Giblin & Nickerson, P.A. of Tampa, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Annis, Mitchell, Cockey, Edwards & Roehn, P.A., of Fort Myers, Florida; certain legal matters will be passed upon for the Underwriter by its counsel, Greenberg Traurig, P.A., of Tallahassee, Florida.

Disclosure Required by Florida Blue Sky Regulations

Section 517.051, Florida Statutes, and the regulations promulgated thereunder (the "Disclosure Act") requires that the District make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975. The District is not and has not since December 31, 1975 been in default as to principal and interest on its bonds or other debt obligations.

TAX MATTERS

Federal Tax Matters

The Internal Revenue Code of 1986, as amended (the "Code"), contains a number of requirements and restrictions which may apply to the 2000 Bonds, including investment restrictions, a requirement of periodic payments of arbitrage profits to the United States, requirements regarding the use of bond proceeds and the facilities financed therewith, and certain other matters. The District has covenanted to use its best efforts to comply with all requirements of the Code that must be satisfied in order for the interest on the 2000 Bonds to be excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the 2000 Bonds to be included in gross income retroactive to the date of issuance of the 2000 Bonds.

Subject to the condition that the District comply with the pertinent requirements of the Code, under existing law, in the opinion of Bond Counsel, interest on the 2000 Bonds will be excluded from the gross income of the owners thereof for federal income tax purposes and will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations, but is, however, included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax that may be imposed with respect to such corporations. Reference is made to a proposed form of the Bond Counsel opinion attached hereto as Appendix D for the complete text thereof.

In rendering the opinion, Bond Counsel will rely upon certificates of the District with respect to certain material facts relating to the property financed with the proceeds of the 2000 Bonds and the application of the proceeds of the 2000 Bonds.

The Code contains numerous provisions which could affect the economic value of the 2000 Bonds to certain owners of the 2000 Bonds. The following is a brief summary of some of the significant provisions that may be applicable to particular owners of the 2000 Bonds. Prospective owners of the 2000 Bonds, however, should consult their own tax advisors with respect to the impact of such provisions on their own tax situations.

The 2000 Bonds will not be "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Code. Interest on indebtedness incurred or continued to purchase or carry the 2000 Bonds or, in the case of banks and certain other financial institutions, interest expense allocable to interest on the 2000 Bonds, will not be deductible for federal income tax purposes.

Insurance companies (other than life insurance companies) are required for taxable years beginning after 1986 to reduce the amount of their deductible underwriting losses by 15% of the amount of tax-exempt interest received or accrued on certain obligations, including the 2000 Bonds, acquired after August 7, 1986. If the amount of this reduction exceeds the amount otherwise deductible as losses incurred, such excess may be includable in income. Life insurance companies are subject to similar provisions under which taxable income is increased by reason of receipt or accrual of tax-exempt interest, such as interest on the 2000 Bonds.

Interest on the 2000 Bonds must be included in the "adjusted current earnings" of corporations (other than S corporations, regulated investment companies, real estate investment trusts, and REMICs), and the alternative minimum taxable income of such corporations must be increased by 75% of the excess of adjusted current earnings over alternative minimum taxable income (determined without regard to this adjustment and prior to reduction for certain net operating losses).

Certain recipients of social security benefits and railroad retirement benefits are required to include a portion of such benefits in gross income by reason of the receipt or accrual of interest on tax-exempt obligations, such as the 2000 Bonds.

For foreign corporations that operate branches in the United States, Section 884 of the Code imposes a branch level tax on certain earnings and profits in tax years beginning after 1986. Interest on tax-exempt obligations, such as the 2000 Bonds, may be included in the determination of such domestic branches' taxable base on which this tax is imposed.

Passive investment income, including interest on the 2000 Bonds, may be subject to federal income taxation under Section 1375 of the Code for S corporations that have subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of the S corporation consists of passive investment income.

Florida Tax Matters

It is also the opinion of Bond Counsel that, under existing law, the 2000 Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes on interest, income or profits on debt obligations owned by "corporations", as defined by Chapter 220, Florida Statutes, as amended, including organizations, associations, legal entities and artificial persons described therein.

MISCELLANEOUS

Suitability For Investment

While the 2000 Bonds are not subject to registration under the Securities Act of 1933, as amended (the "Securities Act"), the Underwriter has determined that the 2000 Bonds are not suitable for investment by persons other than, and will offer the 2000 Bonds only to accredited investors within the meaning of the rules of the Florida Department of Banking and Finance and Chapter 189, Florida Statutes. Prospective investors in the 2000 Bonds should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the 2000 Bonds and should have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment.

Each prospective investor will be given access to such additional information, including the benefit of a site visit of the District and the opportunity to ask questions of representatives of the Developer, as such investor deems necessary in order to make an informed decision with respect to the purchase of the 2000 Bonds. Prospective investors are encouraged to request such additional information, visit the District and ask such questions. Such requests should be directed to: William J. Reagan, William R. Hough & Co., 500 5th Avenue South, Suite 501, Naples, Florida 34102.

Ratings

No application for a rating on the 2000 Bonds has been made. Nor is there any reason to believe that the District would have been successful in obtaining an investment grade rating for the 2000 Bonds had application been made.

Continuing Disclosure

The Securities and Exchange Commission (the "Commission") under Rule 15c2-12 (the "Rule") of the Securities and Exchange Act of 1934, as amended, prohibits underwriters from purchasing or selling municipal securities unless such underwriters have reasonably determined that the "issuer" and any "obligated persons" with respect thereto have undertaken to provide continuing disclosure with respect to its securities. In the Indenture, in its agreement with the Underwriters, and in a Continuing Disclosure Agreement (the form of which is attached as Appendix F), the District and the Developer have covenanted to deliver to each nationally recognized municipal securities information repository ("NRMSIR") and to the appropriate Florida information depository, if any, certain financial information and operating data relating to the District and the Developer ("Annual Information"), on or before March 31 of each year commencing March 31, 2001, and to provide timely notices to the Municipal Securities Rulemaking Board (the "MSRB") and to the appropriate Florida information depository, if any, of the occurrence of any of certain significant events with respect to the 2000 Bonds.

The District is also required to provide, in a timely manner, to the MSRB and to the appropriate Florida information depository, if any, any failure on the part of the District or other "obligated person" to provide such information.

The District's undertaking to conform to the requirements of the Rule in no way creates new contractual or other rights for the original purchasers of the 2000 Bonds or any other purchaser or owner of the 2000 Bonds, or any broker, dealer, or other persons. The sole remedy in the event of any actual or

alleged failure by the District to comply with the Rule shall be an action for the specific performance of the District's obligations and not for money damages. Any failure by the District to comply with any provision of such undertaking shall not constitute an event of default with respect to the 2000 Bonds.

In addition, the District is required to file certain information, including audited annual financial statements, with the Department of Community Affairs of Florida, and to maintain records open to the public for examination and copying under state public records laws. Also, copies of audited annual financial statements and certain other information are required to be filed with the Trustee. Public records of the District may be examined during normal business hours at the offices of Severn Trent Environmental Services/G.L. Moyer, P.A., 210 North University Drive, Suite 301, Coral Springs, FL 33071 (954/753-5841) and the District will furnish copies of any public records of the District to any Owner or person claiming a beneficial ownership interest in the 2000 Bonds, upon written request of such Owner or person specifying the particular records to be copied and payment of the District's reasonable copying charges then in effect and mailing or other delivery costs.

Underwriting

The Underwriter will, pursuant to a Bond Purchase Agreement to be entered into with the District, agree, subject to the satisfaction of certain conditions, to arrange for the subscription and purchase of the 2000 Bonds from the District in a limited offering transaction on December 21, 2000 or such later date as the District and the Underwriter may agree (the "Closing Date") at an issue price of 100% less underwriting discount of \$545,025.00. See "**SECURITIES BEING OFFERED—Purpose—Sources and Uses of Funds.**" The Underwriter will be entitled to be released and discharged from its obligations under the 2000 Bond Purchase Agreement in certain circumstances prior to payment to the District.

The Underwriter intends to offer the 2000 Bonds to accredited investors within the meaning of the rules of the Florida Department of Banking and Finance and Chapter 189, Florida Statutes, at the offering prices set forth on the cover page of this Limited Offering Memorandum, which may subsequently change without any requirement of prior notice. The Underwriter may offer and sell the 2000 Bonds to certain dealers (including dealers depositing the 2000 Bonds into investment trusts) at prices lower than the public offering price. The Financial Advisor, Fishkind & Associates, will not participate in the Underwriting, although it will be delivering a certificate at closing of the 2000 Bonds.

Accuracy and Completeness of Limited Offering Memorandum

Any statements made in this Limited Offering Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Limited Offering Memorandum nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the 2000 Bonds.

The information and expression of opinion herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the District from the date hereof. However, certain parties to the transaction will, at the closing of the 2000 Bonds, deliver certificates certifying from the date of the Limited Offering Memorandum to the date of closing of the 2000 Bonds that there has been no material adverse change in the information provided.

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

Certificate Concerning Limited Offering Memorandum

We, the undersigned Chairman and Secretary of the Miromar Lakes Community Development District, **DO HEREBY CERTIFY** that (i) we have reviewed this Limited Offering Memorandum and that to the best of the knowledge and belief of each of us the statements herein are true and correct; (ii) nothing has come to the attention of either of us that would lead either of us to believe that the Limited Offering Memorandum contains an untrue statement of a material fact or omits to state a material fact that should be included herein for the purpose for which the Limited Offering Memorandum is intended to be used, or that is necessary to make the statements contained herein, in light of the circumstances under which they were made, not misleading.

IN WITNESS WHEREOF, we have hereunto set our hands and the seal of the District this 21st day of December, 2000.

(SEAL)

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

By: _____

Chairman

By: _____

Secretary

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APPENDIX A

**FORM OF THE MASTER TRUST INDENTURE
AND FIRST SUPPLEMENTAL TRUST INDENTURE**

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MASTER TRUST INDENTURE

**MIROMAR LAKES
COMMUNITY DEVELOPMENT DISTRICT**

TO

FIRST UNION NATIONAL BANK, AS TRUSTEE

Dated as of December 1, 2000

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

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MASTER TRUST INDENTURE

THIS IS A MASTER TRUST INDENTURE, dated as of December 1, 2000, by and between MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government organized and existing under the laws of the State of Florida (the "District"), and First Union National Bank, as trustee (the "Trustee"), a national banking association existing under the laws of the United States and having the authority to exercise corporate trust powers, with its principal corporate trust office located in Miami, Florida and its designated office and post office address located at One First Union Financial Center, 200 South Biscayne Boulevard, 14th Floor, Miami, Florida 33131, Attention: Corporate Trust Department.

WHEREAS, the District is a community development district duly organized, created, established and existing under the provisions of Chapter 190, Florida Statutes, as amended (the "Act"), for the purpose, among other things, of financing and managing the acquisition, construction, maintenance, and operation of the major infrastructure within the boundaries of the District; and

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

WHEREAS, the District has the power and authority under the Act to issue revenue bonds and to use the proceeds thereof to finance the cost of acquiring and constructing water management and control facilities (as defined in the Act) and, by virtue of Section 190.021 of the Act, to levy and collect Benefit Special Assessments (hereinafter defined) and Maintenance Special Assessments (hereinafter defined) therefor; and

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

NOW, THEREFORE, THIS MASTER TRUST INDENTURE WITNESSETH:

GRANTING CLAUSES

That the District, in consideration of the premises and acceptance by the Trustee of the trusts hereby created and the purchase and acceptance of the Bonds (hereinafter defined) by the Owners (hereinafter defined), and of the sum of ten dollars (\$10.00), lawful money of the United States of

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

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

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

IT IS HEREBY COVENANTED, DECLARED AND AGREED (a) that this Master Indenture creates a continuing lien equally and ratably to secure the payment in full of the principal of, premium, if any, and interest on all Bonds of a Series which may from time to time be Outstanding hereunder, except as otherwise expressly provided herein, (b) that the Trust Estate shall immediately be subject to the lien of this pledge and assignment without any physical delivery thereof or further

act, (c) that the lien of this pledge and assignment shall be a first lien and shall be valid and binding against all parties having any claims of any kind in tort, contract or otherwise against the District, irrespective of whether such parties have notice thereof, and (d) that the Bonds of a Series are to be issued, authenticated and delivered, and that the Trust Estate is to be held, dealt with, and disposed of by the Trustee, upon and subject to the terms, covenants, conditions, uses, agreements and trusts set forth in this Master Indenture and the District covenants and agrees with the Trustee, for the equal and proportionate benefit of the respective Owners from time to time of the Bonds of each respective Series, as follows:

ARTICLE I DEFINITIONS

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

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

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

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

"Accreted Value" shall mean, as of the date of computation with respect to any Capital Appreciation Bonds, an amount (truncated to three (3) decimal places) equal to the original principal amount of such Capital Appreciation Bonds at the date of issuance plus the interest accrued on such Bonds from the date of original issuance of such Capital Appreciation Bonds to the date of computation, such interest to accrue at the rate of interest per annum of the Capital Appreciation Bonds (or in accordance with a table of compound accreted values set forth in such Capital Appreciation Bonds), compounded semi-annually on each Interest Payment Date, provided, however, that if the date with respect to which any such computation is made is not an Interest Payment Date, the Accreted Value of any Bond as of such date shall be the amount determined by compounding the Accreted Value of such Bond as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) at the rate of interest per annum of the Capital Appreciation Bonds for the partial semi-annual compounding period determined by dividing (x) the number of days elapsed (determined on the basis of a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months) from the immediately preceding Interest Payment Date (or the

date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance), by (y) one hundred eighty (180). A table of Accreted Values for the Capital Appreciation Bonds shall be incorporated in a Supplemental Indenture executed by the District upon issuance of any Capital Appreciation Bonds.

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

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

"Additional Bonds" shall mean Bonds of a Series, including Completion Bonds, authenticated and delivered pursuant to the terms of a Supplemental Indenture providing for the issuance of *par passu* Additional Bonds of such Series.

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

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

"Assessments" shall mean all non ad valorem special assessments levied and collected by or on behalf of the District pursuant to the Act and pursuant to the assessment plan and the assessment roll referred to therein, together with the interest specified by resolution adopted by the Governing Body, the interest specified in Chapter 170 Florida Statutes (1999), if any such interest is collected by or on behalf of the Governing Body, and any applicable penalties collected by or on behalf of the District, together with any and all amounts received by the District from the sale of tax certificates or otherwise from the collection of Delinquent Assessments and which are referred to as such and pledged in a Series of Bonds pursuant to the Supplemental Indenture authorizing the issuance of such Series of Bonds.

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

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

"Benefit Special Assessments" shall mean assessments levied and collected in accordance with Section 190.021(2), Florida Statutes (1999), as amended from time to time.

together with any and all amounts received by the District from the sale of tax certificates or otherwise from the collection of Benefit Special Assessments which are not paid in full when due and which are referred to as such and pledged to a Series of Bonds pursuant to the Supplemental Indenture authorizing the issuance of such Series of Bonds.

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

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

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

"Bonds" shall mean the Outstanding Bonds of all Series, and, except where the context clearly requires otherwise shall include bond anticipation notes issued in anticipation thereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Consulting Engineers" shall mean Wilson, Miller, Barton & Peek, Inc., Naples, Florida, or any other engineering firm or corporation having a favorable repute for skill and experience employed by the District.

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

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

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

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

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

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

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

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

(i) Federal Securities;

(ii) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Government National Mortgage Association, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Tennessee Valley Authority, United States Postal Service, Farmers Home Administration, Export-Import Bank, Federal Financing Bank and Student Loan Marketing Association;

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

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

(v) Repurchase agreements with any bank, trust company or national banking association, including the Trustee or an affiliate thereof, or government bond dealer reporting to the Federal Reserve Bank of New York continuously secured or

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collateralized by obligations described in subparagraph (j) of this definition, which securities will at all times (a) have a market value (inclusive of accrued interest) not less than that of the repurchase agreement, (b) be held free and clear of claims by third parties, (c) be subject to a perfected first security interest in the collateral in favor of the Trustee and (d) be delivered to the Trustee or its agent, as custodian.

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

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

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

(ix) Any money market fund which invests solely in the obligations described in (i) above.

(x) Investment agreements with a bank, insurance company or other financial institution, or the subsidiary of a bank, insurance company or other financial institution if the parent guarantees the investment agreement, which bank, insurance company, financial institution or parent has an unsecured, uninsured and unguaranteed obligation (or claims-paying ability) rated in the highest short-term rating category by Moody's or S&P (if the term of such agreement does not exceed 365 days), or has an unsecured, uninsured and unguaranteed obligation (or claims-paying ability) rated in one of the three highest rating categories by Moody's or S&P (provided that the term of such agreement is not less than 366 days nor more than twenty-four (24) months) or has an unsecured, uninsured and unguaranteed obligation (or claims-paying ability) rated in one of the two highest rating categories by Moody's or S&P (if the term of such agreement is more than twenty-four (24) months) or is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation of the aforesaid ratings, provided:

(A) interest is paid at least semiannually at a fixed rate (subject to adjustments for yield restrictions required by the Code) during the entire term of the agreement, consistent with the Interest Payment Dates.

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agency, "Moody's" will be deemed to refer to any other nationally recognized securities rating agency designated by the District by written notice to the Trustee.

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

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

(i) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation.

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

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

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

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

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

"Paying Agent" shall mean the bank or trust company designated by Supplemental Indenture with respect to a Series of Bonds as the place where Debt Service shall be payable

(B) moneys invested thereunder may be withdrawn without penalty, premium, or charge upon not more than two days' notice unless otherwise specified in a Supplemental Indenture.

(C) the same guaranteed interest rate will be paid on any future deposits made to restore the account to its required amount, and

(D) the Trustee receives an opinion of counsel that such agreement is an enforceable obligation of such insurance company, bank, financial institution or parent.

and

(xi) other investments permitted by Florida law, provided that such investments are authorized by the Supplemental Indenture relating to a Series of Bonds.

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

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

"Maintenance Special Assessments" shall mean assessments levied and collected pursuant to Section 190.021(3), Florida Statutes (1999), as amended from time to time, for benefits with respect to water management and control responsibilities undertaken by the District in accordance with Section 190.013, as amended from time to time.

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

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

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

"Moody's" shall mean Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating

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with respect to such Series of Bonds and which accepts the duties of Paying Agent under this Master Indenture and under such Supplemental Indenture.

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

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

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

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

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

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

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

"Property Appraiser" shall mean the Property Appraiser of Lee County, Florida, or the person succeeding to his or her principal functions.

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

"Rebate Analyst" shall mean the person or firm selected by the District to calculate the Rebate Amount, which person or firm shall either be a firm of attorneys or independent certified public accountants with expertise in the calculation of the Rebate Amount.

"Rebate Fund" shall mean the fund so designated in, and created pursuant to, Sections 502 and 507 hereof.

"Record Date" shall mean the fifteenth (15th) day of the calendar month next preceding any Debt Service payment date or, in the case of any proposed redemption of Bonds, the fifth (5th) day next preceding the date of mailing of notice of such redemption, or if either of the foregoing days is not a Business Day, then the Business Day immediately preceding such day.

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

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

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

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

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

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

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

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

"Series" shall mean all of the Bonds authenticated and delivered on original issuance of a stipulated aggregate principal amount in a simultaneous transaction under and pursuant to the same Supplemental Indenture and any Bonds thereafter authenticated and delivered in lieu of or in substitution therefor pursuant to this Master Indenture and such Supplemental Indenture regardless of variations in maturity, interest rate or other provisions; provided, however, two or more Series of Bonds may be issued simultaneously under the same Supplemental Indenture if designated as separate Series of Bonds by the District upon original issuance. Two or more Series of Bonds may be issued simultaneously under separate Supplemental Indentures, but under this Master Indenture. In addition, if an issue of Bonds is followed by a second issue of Bonds closed within 45 days of the closing of the first issue and the proceeds of the second issue are to be used to pay the Costs of Issuance of the first issue, or to pay for certain costs of a Series Project being financed from the proceeds of the first issue which costs cannot be financed with Tax Exempt Bonds, then the two issues of Bonds will be deemed a single Series for purposes of this Master Indenture, if so designated by the District.

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

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

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

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

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

"Tax Collector" shall mean the Tax Collector of Lee County, Florida, or the person succeeding to his or her principal functions.

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

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

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

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

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

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

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

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

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

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

"Series Reserve Account Requirement" shall mean the amount of money or other security which may be in the form of a reserve fund insurance policy or other security as may be required by the terms of a Supplemental Indenture to be deposited in or credited to a

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

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

"Term Bonds" shall mean Bonds that mature on one date and that are subject to mandatory redemption from Amortization Installments or Bonds designated by the District as Term Bonds upon original issuance thereof.

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

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

"Trustee" shall mean First Union National Bank, with its principal corporate trust office located in Miami, Florida, and any successor trustee appointed or serving pursuant to Article VI hereof.

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

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

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ARTICLE II
FORM, EXECUTION, DELIVERY AND DESIGNATION OF BONDS

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

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

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

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for all other purposes whatsoever, and neither the Trustee, the District, the Bond Registrar nor the Paying Agent shall be affected by any notice to the contrary.

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

Section 207. Authorization of Bonds. There shall be issued from time to time in Series, under and secured by this Master Indenture, Bonds without limitation as to aggregate principal amount for the purposes of: (i) paying all or part of the Cost of a Series Project or Series Projects or refunding an Outstanding Series of Bonds or any portion thereof; (ii) depositing the Series Reserve Account Requirement to the Series Reserve Account for such Series of Bonds; and (iii) paying the costs and expenses of issuing such Series of Bonds.

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

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

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

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

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

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

Section 205. Ownership of Bonds. The person in whose name any Bond shall be registered shall be deemed the absolute owner thereof for all purposes, and payment of Debt Service shall be made only to or upon the order of the registered owner thereof or his attorney or legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. The Trustee, the District, the Bond Registrar and the Paying Agent may deem and treat the registered owner of any Bond as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment thereof and

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

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

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

The proceeds (including accrued interest and any premium) of each Series of Bonds shall be applied as soon as practicable upon delivery thereof to the Trustee as set forth in the Supplemental Indenture relating to such Series of Bonds.

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

Section 209. Mutilated, Destroyed or Lost Bonds. If any Bonds become mutilated or destroyed or lost, the District may cause to be executed, and the District may cause to be delivered,

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a new Bond in substitution thereof and upon the cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond destroyed or lost, upon payment by the Owner of the reasonable expenses and charges of the District and the Trustee in connection therewith and, in the case of a Bond destroyed or lost, upon the Owner filing with the Trustee evidence satisfactory to it that such Bond was destroyed or lost, and of his or her ownership thereof, and furnishing the District and the Trustee with indemnity satisfactory to them.

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

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

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payment of Bonds of such Series as provided in Section 506(b) hereof or as otherwise provided in the Supplemental Indenture relating to such Series.

Section 302. *Notice of Redemption; Procedure for Selection.* The District shall establish each redemption date, other than in the case of a mandatory redemption, in which case the Trustee shall establish the redemption date, and the District or the Trustee, as the case may be, shall notify the Bond Registrar in writing of such redemption date on or before the forty-fifth (45th) day next preceding the date fixed for redemption, which notice shall set forth the terms of the redemption and the aggregate principal amount of Bonds so to be redeemed. Except as provided below, notice of redemption shall be given by the Bond Registrar not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption by first-class mail, postage prepaid, to any Paying Agent for the Bonds to be redeemed and to the registered Owner of each Bond to be redeemed, at the address of such registered Owner on the registration books maintained by the Bond Registrar (and, for any Owner of \$1,000,000 or more in principal amount of Bonds, to one additional address if written request therefor is provided to the Bond Registrar prior to the Record Date); and a second notice of redemption shall be sent by registered or certified mail at such address to any Owner who has not submitted his Bond to the Paying Agent for payment on or before the date sixty (60) days following the date fixed for redemption of such Bond, in each case stating: (i) the numbers of the Bonds to be redeemed, by giving the individual certificate number of each Bond to be redeemed (or stating that all Bonds between two stated certificate numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption); (ii) the CUSIP numbers of all Bonds being redeemed; (iii) in the case of a partial redemption of Bonds, the principal amount of each Bond being redeemed; (iv) the date of issue of each Bond as originally issued and the complete official name of the Bonds including the series designation; (v) the rate or rates of interest borne by each Bond being redeemed; (vi) the maturity date of each Bond being redeemed; (vii) the place or places where amounts due upon such redemption will be payable; (viii) the notice date, redemption date, and redemption price; and (ix) the name, address, telephone number and contact person at the office of the Paying Agent with respect to such redemption. The notice shall require that such Bonds be surrendered at the designated corporate trust office of the Paying Agent for redemption at the redemption price and shall state that further interest on such Bonds will not accrue from and after the redemption date. CUSIP number identification with appropriate dollar amounts for each CUSIP number also shall accompany all redemption payments.

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

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

ARTICLE III REDEMPTION OF BONDS

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

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

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

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

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

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

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

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

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

ARTICLE IV ACQUISITION AND CONSTRUCTION FUND

Section 401. *Acquisition and Construction Fund.* There is created and established by Section 502 hereof a fund designated as the "Acquisition and Construction Fund" which shall be held

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

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

Section 403. Cost of Project. For the purposes of this Master Indenture, the Cost of the Project shall include, without intending thereby to limit or to restrict any proper definition of such cost under the Act, other applicable provisions of Florida law, or this Master Indenture, the following:

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

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

(c) **Acquisition Expenses.** The costs of acquiring, by purchase or condemnation, all of the land, structures, improvements, rights-of-way, franchises, easements, and other interests in property, whether real or personal, tangible or intangible, which themselves

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

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

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

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

for each such Series of Bonds issued hereunder.

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

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

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

Section 503. Acquisition and Construction Fund.

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

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

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constitute the Project or which are necessary or convenient to acquire and construct the Project.

(d) **Construction Expenses.** All costs incurred for labor and materials, including equipment and fixtures, by contractors, builders, and materialmen in connection with the acquisition and construction of the Project.

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

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

ARTICLE V ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

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

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

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

(i) payments made to the District from the sale, lease or other disposition of the Series Project or any portion thereof,

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

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

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

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

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

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

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

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

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Prepayment Subaccount of the related Series Redemption Account, unless otherwise provided for in the Supplemental Indenture relating to a Series of Bonds.

Section 505. Debt Service Fund and Series Debt Service Accounts

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

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

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

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

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

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

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

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

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of premium by the terms hereof (including extraordinary or extraordinary mandatory redemption) and of the Supplemental Indenture relating to such Series of Bonds. Such redemption shall be made pursuant to the provisions of Article III. The District shall pay all expenses incurred by the Trustee and Paying Agent in connection with such redemption. Moneys deposited in a Series Redemption Account other than from Prepayments shall be deposited into the Series Optional Redemption Subaccount in the corresponding Series Redemption Account and held and applied therein as provided in Section 506(a) hereof.

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

Section 506. Optional Redemption.

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

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

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

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

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

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

(e) **Series Redemption Account.** Moneys representing Prepayments on deposit in a Series Prepayment Subaccount of the Redemption Account to the full extent of a multiple of an Authorized Denomination shall, unless otherwise provided in the Supplemental Indenture relating to such Series of Bonds, be used by the Trustee to redeem Bonds of such Series on the earliest date on which such Bonds are permitted to be called without payment

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

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

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

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

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

Section 507. Rebate Fund and Series Rebate Accounts

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

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

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sell at the best price obtainable or present for redemption any obligations so purchased whenever it shall be necessary so to do in order to provide moneys to meet any payment or transfer from any such Fund or Account. The Trustee shall not be liable or responsible for any loss resulting from any such investment or for failure to make an investment (except failure to make an investment in accordance with the written direction of an Authorized Officer) or for failure to achieve the maximum possible earnings on investments. The Trustee shall have no obligation to invest funds absent written direction from the District.

(d) **Valuation.** In computing the value of the assets of any Fund or Account, investments and earnings thereon shall be deemed a part thereof. Such investments, other than in a Series Reserve Account, shall be valued at the par value or the current market value thereof, whichever is lower, or at the redemption price thereof, if then redeemable at the option of the holder. In computing the value of the amount on deposit in a Series Reserve Account, obligations purchased as an investment of moneys therein shall be valued at par if purchased at par or at amortized value if purchased at other than par. Amortized value, when used with respect to an obligation purchased at a premium above or a discount below par, means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of interest payments remaining on such obligation on the date of purchase and deducting the amount thus calculated for each interest payment date after such purchase from the purchase price in the case of an obligation purchased at a premium and adding the amount thus calculated for each Interest Payment Date after such purchase to the purchase price in the case of an obligation purchased at a discount.

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

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

The Trustee, as of the close of business on the last Business Day in each Bond Year, after taking into account all payments and transfers made as of such date, shall compute, in the manner set forth in Section 508(c), the value of the Series Reserve Account and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such Series Reserve Account. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit in the Series

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an administrative and operating expense of the District payable or reimbursable from the Series Revenue Account in accordance with Section 505(b) hereof.

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

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

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

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

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

(c) **Investment Obligations as a Part of Funds and Accounts.** Investment Obligations purchased as an investment of moneys in any Fund or Account shall be deemed at all times to be a part of such Fund or Account, and the interest accruing thereon and profit realized from such investment shall be credited as provided in Section 510 hereof. Any loss resulting from such investment shall be charged to such Fund or Account. The foregoing notwithstanding, for purposes of investment and to the extent permitted by law, amounts on deposit in any Fund or Account may be commingled for purposes of investment, provided adequate care is taken to account for such amounts in accordance with the print sentence. The Trustee may, upon the direction of an Authorized Officer, transfer investments within such Funds or Accounts without being required to sell such investments. The Trustee shall

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Reserve Account, from any legally available sources of the District. The Trustee, as soon as practicable after such computation, shall deposit any surplus, at the direction of an Authorized Officer, to the credit of the Series Redemption Account or the Series Principal Account or as provided in the Supplemental Indenture relating to a Series of Bonds.

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

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

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

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

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

ARTICLE VI CONCERNING THE TRUSTEE

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

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

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

Section 604. Compensation and Indemnity. The District shall pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, including the reasonable fees and expenses of Trustee's counsel when such fees and expenses become due, and shall indemnify the Trustee (and its respective successors, agents and servants) and hold the Trustee (and its respective successors, agents and servants) harmless against any liabilities, obligations, losses, damages, penalties, claims, actions, suits and costs which it may incur in the exercise and performance of its powers and duties hereunder except with respect to its own gross negligence or willful misconduct. The Trustee shall have no duty in connection with its responsibilities hereunder to advance its own funds nor shall the Trustee have any duty to take any action hereunder without first having received indemnification satisfactory to it. If the District defaults in respect of the foregoing obligations, the Trustee may deduct the amount owing to it from any moneys received by the Trustee under this Master Indenture or any Supplemental Indenture and payable to the District other than Maintenance Special Assessments and moneys from a Credit Facility or a Liquidity Facility. This provision shall survive termination of this Master Indenture and any Supplemental Indenture, and as to any Trustee, its resignation or removal thereof. As security for the foregoing, the District hereby grants to the Trustee a security interest in and to the amounts on deposit in all Series Funds and Accounts, subordinate and inferior to the security interest granted to the Owners of the Bonds from time to time secured thereby, but nevertheless payable in the order of priority as set forth in Section 905 upon the occurrence of an Event of Default.

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

Section 606. Notice of Default; Right to Investigate. The Trustee shall give written notice, as soon as practicable, by first-class mail to registered Owners of Bonds of all defaults of which the Trustee has actual knowledge, unless such defaults have been remedied (the term "defaults" for

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and any Liquidity Facility issuer, at least sixty (60) days before the resignation is to take effect. Such resignation shall take effect on the day specified in the Trustee's notice of resignation unless a successor Trustee is previously appointed, in which event the resignation shall take effect immediately on the appointment of such successor; provided, however, that notwithstanding the foregoing such resignation shall not take effect until a successor Trustee has been appointed. If a successor Trustee has not been appointed within sixty (60) days after the Trustee has given its notice of resignation, the Trustee may, at the expense of the District, petition any court of competent jurisdiction for the appointment of a temporary successor Trustee to serve as Trustee until a successor Trustee has been duly appointed.

Section 612. Removal of Trustee. Any Trustee hereunder may be removed at any time by an instrument appointing a successor to the Trustee so removed, executed by the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, calculated without regard to any Bonds owned by the Trustee, and filed with the Trustee and the District or by resolution duly adopted by the Governing Body; provided, however, that the Trustee shall not be removed without consent of the Owners of a majority of the Bonds at anytime there has occurred and is continuing an Event of Default hereunder.

The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Master Indenture or any Supplemental Indenture with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the District or the Owners of not less than 20% in aggregate principal amount of the Bonds then Outstanding.

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

Section 614. Qualification of Successor Trustee. A successor Trustee shall be a national bank with trust powers or a bank or trust company with trust powers, having a combined net capital and surplus of at least \$50,000,000, but in no event shall the successor Trustee ever be the Credit Facility issuer or Liquidity Facility issuer.

Section 615. Instruments of Succession. Any successor Trustee shall execute, acknowledge and deliver to the District an instrument accepting such appointment hereunder; and thereupon such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor

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

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

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

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

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

Section 611. Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by this Master Indenture by written resignation filed with the Secretary of the District not less than sixty (60) days before the date when such resignation is to take effect, provided that notice of such resignation shall be sent by first-class mail to each Owner as its name and address appears on the Bond Register and to any Paying Agent, Bond Registrar, any Credit Facility issuer,

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in trust hereunder, with like effect as if originally named Trustee herein. The Trustee ceasing to act hereunder shall pay over to the successor Trustee all moneys held by it hereunder after payment of all fees and expenses owing to the Trustee; and, the Trustee ceasing to act and the District shall execute and deliver an instrument or instruments transferring to the successor Trustee all the estates, properties, rights, powers and trusts hereunder of the Trustee ceasing to act, except for the rights of the Trustee under Section 604 hereof.

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

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

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

Section 619. Appointment of Successor Paying Agent or Bond Registrar. In case at any time the Paying Agent or Bond Registrar shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a vacancy shall forthwith and ipso facto

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exist in the office of the Paying Agent or Bond Registrar, as the case may be, and a successor shall be appointed by the District; and in case at any time the Paying Agent or Bond Registrar shall resign, then a successor shall be appointed by the District. Upon any such appointment, the District shall give written notice of such appointment to the predecessor Paying Agent or Bond Registrar, the successor Paying Agent or Bond Registrar, the Trustee and all Owners. Any new Paying Agent or Bond Registrar so appointed and accepting such duties as provided in Section 621 hereof shall immediately and without further act supersede the predecessor Paying Agent or Bond Registrar.

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

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

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

ARTICLE VII FUNDS CONSTITUTE TRUST FUNDS

Section 701. Trust Funds. All amounts on deposit in Series Accounts for the benefit of a Series of Bonds shall:

(a) be used only for the purposes and in the manner herein and in the Supplemental Indenture relating to such Series of Bonds provided and, pending such

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desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, moneys, securities and funds hereby pledged or assigned, or intended so to be, or which the District may become bound to pledge or assign after the date of execution of this Master Indenture.

Section 804. Power to Issue Bonds and Create a Lien. The District hereby represents to the Trustee and to the Owners that it is and will be duly authorized under all applicable laws to issue the Bonds of each Series, to execute this Master Indenture, to adopt Supplemental Indentures, and to pledge its moneys, securities and funds in the manner and to the extent provided herein. Except as provided herein, the District hereby represents that such moneys, securities and funds of the District are and will be free and clear of any pledge, lien, charge or encumbrance thereon and all action on the part of the District to that end has been and will be duly and validly taken. The Bonds of each Series, this Master Indenture and any Supplemental Indenture are and will be the valid and legally enforceable obligations of the District, enforceable in accordance with their terms except to the extent that enforcement thereof may be subject to bankruptcy and other similar laws affecting creditors' rights generally. The District shall at all times, to the extent permitted by law, defend, preserve and protect the pledge and lien created by this Master Indenture and all the rights of the Trustee and the Owners hereunder against all claims and demands of all other persons whomsoever.

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

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

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application, be held by the Trustee in trust for the benefit of the Owners of such Series of Bonds:

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

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

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

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

ARTICLE VIII COVENANTS AND AGREEMENTS OF THE DISTRICT

Section 801. Payment of Bonds. The District shall duly and punctually pay or cause to be paid, but only from the Trust Estate with respect to each Series of Bonds, Debt Service on the dates, at the places, and in the amounts stated herein, in any Supplemental Indenture, and in the Bonds of such Series.

Section 802. Extension of Payment of Bonds. The District shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time for payment of interest thereon. The time for payment of Bonds of any Series shall be the time prescribed in the Supplemental Indenture relating to such Series of Bonds.

Section 803. Further Assurance. At any and all times the District shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or

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proceeds of any lease as described above shall be deposited to the credit of the related Series Redemption Account.

Notwithstanding the foregoing, the District may (i) dispose of all or any part of a Series Project, other than a Series Project the revenues to be derived from the operation of which are pledged to a Series of Bonds, by gift or dedication thereof to Lee County, Florida or to the State or any agency or instrumentality of either of the foregoing; and/or (ii) impose, declare or grant title to or interests in the Series Project or a portion or portions thereof in order to create ingress and egress rights and public and private utility easements as the District may deem necessary or desirable for the development, use and occupancy of the property within the District, and/or (iii) impose or declare covenants, conditions and restrictions pertaining to the use, occupancy and operation of the Series Projects.

Section 807. Completion and Maintenance of Series Projects. The District shall complete the acquisition and construction of a Series Project with all practical dispatch and in a sound and economical manner. So long as any Series Project is owned by the District, the District shall maintain, preserve and keep the same or cause the same to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation thereof may be properly and advantageously conducted.

Section 808. Accounts and Reports

(a) **Annual Report.** The District shall, within one hundred eighty (180) days after the close of each Fiscal Year (or such lesser period as may be required by Florida law) so long as any Bonds are Outstanding, file with the Trustee, solely as a repository of such information, and otherwise as provided by law, a copy of an annual report for such year, accompanied by an Accountant's Certificate, including: (i) statements in reasonable detail of its financial condition as of the end of such Fiscal Year and income and expenses for such Fiscal Year; and (ii) statements of all receipts and disbursements of the Pledged Revenues of each Series of Bonds (unless the Pledged Revenues of such Series are remitted directly to the Trustee). The Trustee shall, within ninety (90) days after the close of each Fiscal Year so long as any Bonds are Outstanding, file with the District a summary with respect to each Fund and Account of the deposits thereto and disbursements therefrom during such Fiscal Year and the amounts held therein at the end of such Fiscal Year, or at the option of the Trustee, such summary can be made on a monthly basis.

(b) **No Default Certificate.** The District shall file with the Trustee, so long as any Bonds are Outstanding, within ninety (90) days after the close of each Fiscal Year, a certificate of an Authorized Officer stating whether or not, to the knowledge of the signor, the District is in default with respect to any of the covenants, agreements or conditions on its

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part contained in this Master Indenture and in any Supplemental Indenture and, if so, the nature of such default and actions taken or to be taken to remedy such default.

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

(d) **Reports Pursuant to Uniform Special District Accountability Act of 1989.** The District covenants and agrees that it will comply with the provisions of Chapter 189.401 et seq., Florida Statutes, as amended (1999), the Uniform Special District Accountability Act of 1989, to the extent applicable to the District, including any reporting requirements contained therein which are applicable to the District.

Section 809. Arbitrage and Other Tax Covenants. The District hereby covenants that it will not take any action, and will not fail to take any action, which action or failure would cause the Tax Exempt Bonds to become "arbitrage bonds" as defined in Section 148 of the Internal Revenue Code of 1986. The District further covenants that it will take all such actions after delivery of any Tax Exempt Bonds as may be required in order for interest on such Tax Exempt Bonds to remain excludable from gross income (as defined in Section 61 of the Internal Revenue Code of 1986) of the Owners. Without limiting the generality of the foregoing, the District hereby covenants that it will, to the extent not remitted by the Trustee, remit to the United States the Rebate Amount at the time and place required by this Master Indenture and any Supplemental Indenture, including any Tax Regulatory Covenants contained therein.

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

Section 811. Method of Collection of Assessments, Benefit Special Assessments and Maintenance Special Assessments. Except as hereinafter provided, the District shall use its best efforts to collect and enforce Assessments and Benefit Special Assessments which are pledged to the payment of any Series of Bonds utilizing the Uniform Method set forth in Section 197.3632, Florida Statutes (1999) and shall furnish the information at the times, and in the manner, required by Section 197.3632, Florida Statutes (1999), in order that such Assessments and Benefit Special Assessments

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Section 814. Sale of Tax Deed or Foreclosure of Assessment, Benefit Special Assessment or Maintenance Special Assessment Liens. If any property shall be offered for sale for the nonpayment of any Assessment, Benefit Special Assessment or Maintenance Special Assessment which is pledged to a Series of Bonds, and no person or persons shall purchase such property for an amount equal to the full amount due on the Assessment or Maintenance Special Assessment (principal, interest, penalties and costs, plus attorneys' fees, if any), the property shall then be purchased by the District for an amount equal to the balance due on the Assessment or Maintenance Special Assessment (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name title to the property for the benefit of the Owners of the Series of Bonds to which such Assessments, Benefit Special Assessments or Maintenance Special Assessments were pledged. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the related Series Revenue Fund. Not less than ten (10) days prior to the filing of any foreclosure action as herein provided, the District shall cause written notice thereof to be mailed to the Trustee and any designated agent of the Owners of the related Series of Bonds or as provided in the Supplemental Indenture relating to such Series of Bonds. Not less than thirty (30) days prior to the proposed sale of any lot or tract of land acquired by foreclosure by the District, it shall give written notice thereof to the Trustee and any designated agent of the Owners of the related Series of Bonds. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for sale of property acquired by it as trustee for the Owners of the related Series of Bonds within thirty (30) days after the receipt of the request therefor signed by the Trustee or the Owners of at least fifteen percent (15%) in aggregate principal amount of the Outstanding Bonds of such Series.

Section 815. Other Obligations Payable from Assessments, Benefit Special Assessments or Maintenance Special Assessments. The District will not issue or incur any obligations payable from the proceeds of Assessments, Benefit Special Assessments or Maintenance Special Assessments securing a Series of Bonds (other than such related Series of Bonds) nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge upon such Assessments, Benefit Special Assessments or Maintenance Special Assessments other than the lien of the related Series of Bonds except for fees, commissions, costs, and other charges payable to the Property Appraiser or to the Tax Collector pursuant to Florida law or amounts payable to the Trustee and any Credit Facility Issuer or Liquidity Facility Issuer.

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

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may be included in the combined notice for ad valorem taxes and non ad valorem assessment provided for in Section 197.3635, Florida Statutes (1999). The District may collect any Maintenance Special Assessments directly or using the Uniform Method.

Notwithstanding the foregoing, the District shall not be required to cause the Tax Collector to collect any Special Assessments, Maintenance Special Assessments or Benefit Special Assessments (i) which are due and payable within a period of less than two calendar years from the date of levy thereof, or (ii) with respect to benefitted land prior to being planned for its ultimate use, or (iii) with respect to Special Assessments which are pledged as security for bond anticipation notes issued by the District.

Section 812. Delinquent Assessments, Benefit Special Assessments or Maintenance Special Assessments. If the owner of any lot or parcel of land shall be delinquent in the payment of any Assessment, Benefit Special Assessment or Maintenance Special Assessment pledged to a Series of Bonds, then such Assessment, Benefit Special Assessment or Maintenance Special Assessment shall be enforced in accordance with Chapter 190.021(4), Florida Statutes (1999), or collected pursuant to the provisions of Chapters 170 and 197, Florida Statutes (1999), including but not limited to the sale of tax certificates and tax deed as regards such Delinquent Assessment, Benefit Special Assessment or Maintenance Special Assessment. In the event the provisions of Chapter 197, Florida Statutes, are inapplicable, then upon the delinquency of any Assessment, Benefit Special Assessment or Maintenance Special Assessment the District either on its own behalf, or through the actions of the Trustee, may, but is not obligated to, declare the entire unpaid balance of such Assessment, Benefit Special Assessment or Maintenance Special Assessment to be in default and, at its own expense, cause such delinquent property to be foreclosed in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate, or pursuant to the provisions of Chapter 173, and Sections 190.026 and 170.10, Florida Statutes, or otherwise as provided by law. The District further covenants to furnish, at its expense, to the Trustee and any Owner of Bonds of the related Series so requesting, sixty (60) days after the due date of each annual installment, a list of all Delinquent Assessments and all delinquent Benefit Special Assessments and Maintenance Special Assessments, together with a copy of the District's annual audit, and a list of foreclosure actions currently in progress and the current status of such Delinquent Assessments and all delinquent Benefit Special Assessments and Maintenance Special Assessments.

Section 813. Deposit of Proceeds from Sale of Tax Certificates. If any tax certificates relating to Delinquent Assessments, Benefit Special Assessments or Maintenance Special Assessments which are pledged in a Series of Bonds are sold by the Tax Collector pursuant to the provisions of Section 197.432, Florida Statutes (1999), or if any such tax certificates are not sold but are later redeemed, the proceeds of such sale or redemption (to the extent that such proceeds relate to the Assessments, Benefit Special Assessments or Maintenance Special Assessments) less any commission or other charges retained by the Tax Collector, shall, if paid by the Tax Collector to the District, be paid by the District to the Trustee not later than one (1) Business Day following receipt of such proceeds by the District and shall be deposited by the Trustee to the credit of the related Series Revenue Fund, or as provided in the Supplemental Indenture relating to a Series of Bonds.

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also be annulled, the District shall obtain and make other Assessments until a valid Assessment shall be made.

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

Upon the date of issuance of each Series of Bonds, all conditions, acts and things required by law and this Master Indenture and any Supplemental Indenture to exist, to have happened and to have been performed precedent to and in the issuance of such Series of Bonds shall exist, have happened and have been performed and upon issuance the issue of such Series of Bonds shall be within every debt and other limit prescribed by the laws of the State of Florida applicable to the District.

ARTICLE IX EVENTS OF DEFAULT AND REMEDIES

Section 901. Extension of Interest Payment. If the time for payment of interest of a Bond of any Series shall be extended, whether or not such extension be by or with the consent of the District, such interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Master Indenture unless the aggregate principal amount of all Bonds of such Series then Outstanding and of all accrued interest the time for payment of which shall not have been extended shall have previously been paid in full.

Section 902. Events of Default. Each of the following events is hereby declared an Event of Default with respect to a Series of Bonds:

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

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

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

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

Section 903. Acceleration of Maturities of Bonds of a Series. Upon the happening and continuance of any Event of Default specified in clauses (a) through (f) of Section 902 above with respect to a Series of Bonds, the Trustee shall, upon written direction of the Owners of not less than fifty-one percent (51%) of the aggregate principal amount of the Bonds of such Series then Outstanding, by a notice in writing to the District, declare the aggregate principal amount of all of the Bonds of such Series then Outstanding (if not then due and payable) to be due and payable immediately and, upon such declaration, the same shall become and be immediately due and payable, anything contained in the Bonds of such Series or in this Master Indenture or in the Supplemental Indenture authorizing such Series to the contrary notwithstanding; provided, however, that if at any time after the aggregate principal amount of the Bonds of any Series then Outstanding shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Master Indenture or the related Supplemental Indenture, moneys shall have accumulated in the related Series Revenue Account sufficient to pay the principal of all matured Bonds of such Series and all arrears of interest, if any, upon all Bonds of such Series then Outstanding (except the aggregate principal amount of any Bonds of such Series then Outstanding that is only due because of a declaration under this Section, and except for the interest accrued on the Bonds of such Series since the last Interest Payment Date), and all amounts then payable by the District hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Paying Agent, and every other default (other than a default in the payment of the aggregate principal amount of the Bonds of such Series then Outstanding that is due only because of a declaration under this Section) shall have been remedied, then the Trustee or, if the Trustee is unable or unwilling to act, the Owners of not less than 51% of the aggregate principal amount of the Bonds of such Series then Outstanding not then due except by virtue of a declaration under this Section, may, by written notice

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date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Owners of the Bonds of such Series entitled thereto without any discrimination or preference except as to any difference in the foregoing rates of interest.

(b) If the aggregate principal amount of all the Bonds of a Series shall have become due and payable in accordance with their terms or shall have been declared due and payable pursuant to the provisions of Section 903 of this Article, all such moneys shall be applied first to the payment of any then-due fees and expenses of the Trustee, including reasonable counsel fees and expenses, to the extent not otherwise paid, and, then to the payment of the whole amount of principal and interest then due and unpaid upon the Bonds of such Series, without preference or priority of principal or of interest or of any installment of interest over any other installment of interest, or of any Bond over any other Bond of such Series, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds of such Series.

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

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

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

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to the District, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

Section 904. Enforcement of Remedies. Upon the happening and continuance of any Event of Default specified in Section 902 above with respect to a Series of Bonds, the Trustee or, if the Trustee is unwilling or unable to act, the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds of such Series then Outstanding may protect and enforce the rights of the Owners of the Bonds of such Series under Florida law, and under this Master Indenture, the related Supplemental Indenture and the Bonds of such Series, by such proceedings in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein or in the related Supplemental Indenture granted or for the enforcement of any proper legal or equitable remedy, as the Trustee or the Owners of such Series of Bonds, as the case may be, shall deem most effectual to protect and enforce such rights.

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

(a) Unless the aggregate principal amount of all the Bonds of such Series shall have become due and payable or shall have been declared due and payable pursuant to the provisions of Section 903 of this Article, all such moneys shall be applied:

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

Second: in payment to the persons entitled thereto of all installments of interest then due and payable on the Bonds of such Series, in the order in which such installments become due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the rates of interest specified in the Bonds of such Series; and

Third: to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds of such Series which shall have become due (other than Bonds of such Series called for redemption for the payment of which sufficient moneys are held pursuant to this Master Indenture), in the order of their due dates, with interest upon the Bonds of such Series at the rates specified therein from the dates upon which they become due to their payment date, and, if the amount available shall not be sufficient to pay in full the principal of Bonds of such Series due on any particular

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

Section 907. Restriction on Individual Owner Actions. Except as provided in Section 910 hereunder, no Owner of any of the Bonds shall have any right in any manner whatever to affect, disturb or prejudice the security of this Master Indenture or any Supplemental Indenture, or to enforce any right hereunder or thereunder except in the manner herein or therein provided, and all proceedings at law or in equity shall be instituted and maintained for the benefit of all Owners of the Bonds of such Series.

Section 908. No Remedy Exclusive. No remedy conferred upon the Trustee or the Owners is intended to be exclusive of any other remedy herein or in any Supplemental Indenture provided, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereunder.

Section 909. Delay Not a Waiver. No delay or omission of the Trustee or any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy given to the Trustee and the Owners may be exercised from time to time and as often as may be deemed expedient.

Section 910. Right to Enforce Payment of Bonds. Nothing in this Article shall affect or impair the right of any Owner to enforce the payment of Debt Service on the Bond of which such person is the registered Owner, or the obligation of the District to pay Debt Service to the Owner at the time and place specified in such Bond.

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

Section 912. Indemnification. Other than to make proper draws under a Credit Facility, the Trustee shall be under no obligation to institute any suit or to take any remedial proceeding under this Master Indenture or any Supplemental Indenture or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to advance its own money, or to take any steps in the execution of the trust hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability.

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

Section 1001. Execution of Instruments by Owners and Proof of Ownership of Bonds. Any request, direction, consent or other instrument in writing required or permitted by this Master Indenture or any Supplemental Indenture to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor and may be signed or executed by Owners or their attorneys or legal representatives. Proof of the execution of any such instrument shall be sufficient for any purpose of this Master Indenture and shall be conclusive in favor of the District with regard to any action taken by it under such instrument if verified by any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution. Where such execution is on behalf of a person other than an individual such verification or affidavit shall also constitute sufficient proof of the authority of the signer thereof.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of the Owner of any Bond shall bind every future owner of the same Bond in respect of anything done by the Trustee or the District in pursuance of such request or consent.

Section 1002. Deposit of Bonds. Notwithstanding the foregoing, neither the District nor the Trustee shall be required to recognize any person as an Owner of any Bond or to take any action as his request unless such Bond shall be deposited with the Trustee.

**ARTICLE XI
SUPPLEMENTAL INDENTURES**

Section 1101. Supplemental Indentures Without Owners' Consent. The Governing Body from time to time may authorize such indentures supplemental hereto or amendatory hereof as shall not be inconsistent with the terms and provisions hereof (which supplemental indentures shall hereafter form a part hereof), without the consent of the Owners, for the following purposes:

(a) to provide for the initial issuance of a Series of Bonds or refunding bonds of a Series or bond anticipation notes issued in anticipation of a Series of Bonds, or, to provide for the issuance of Additional Bonds of a Series provided that such Additional Bonds satisfy the requirements set forth in the Supplemental Indenture relating to the original Series of Bonds to which such Additional Bonds relate; or

(b) to make any change whatsoever to the terms and provisions of this Master Indenture, but only as such change relates to a Series of Bonds upon the original issuance

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(d) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture.

In addition to the foregoing, the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds of a Series then Outstanding shall have the right, from time to time, anything contained in this Master Indenture or in the Supplemental Indenture relating to such Series of Bonds to the contrary notwithstanding, to consent to and approve the adoption of such indentures supplemental to the Supplemental Indenture relating to such Series of Bonds or amendatory thereof, but not hereof, as shall be deemed desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the provisions of such Supplemental Indenture or of any supplemental indenture, provided, however, that nothing herein contained shall permit, or be construed as permitting, without the consent of all Owners of Bonds of such Series then Outstanding.

(a) an extension of the maturity of, or an extension of the Interest Payment Date on, any Bond of such Series;

(b) a reduction in the principal, premium, or interest on any Bond of such Series;

(c) a preference or priority of any Bond of such Series over any other Bond of such Series; or

(d) a reduction in the aggregate principal amount of the Bonds of such Series required for consent to such indenture supplemental to the Supplemental Indenture.

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

Whenever, at any time within one (1) year after the date of the first mailing of such notice, there shall be delivered to the District an instrument or instruments in writing purporting to be executed by the Owners of the requisite principal amount of the Bonds of such Series Outstanding which instrument or instruments shall refer to the proposed Supplemental Indenture described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Governing Body and the Trustee may approve such Supplemental Indenture and cause it to be executed, in substantially such form, without liability or responsibility to any Owner

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thereof (or upon the original issuance of refunding bonds of a Series which defease and discharge the Supplemental Indenture of the Series of Bonds to be refunded) under and pursuant to the terms of the Supplemental Indenture effecting such change, or

(c) to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Master Indenture; or

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

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

(f) to make such changes as may be necessary in order to reflect amendments to Chapters 170, 190 and 298, Florida Statutes (1994), so long as, in the opinion of counsel to the District, such changes either (i) do not have a material adverse effect on the Owners of each Series of Bonds to which such changes relate, or (ii) if such changes do have a material adverse effect, that they nevertheless are required to be made as a result of such amendments, or

(g) to modify the provisions of this Master Indenture or any Supplemental Indenture provided that such modification does not, in the written opinion of Bond Counsel, materially adversely affect the interests of the Owners of the Bonds Outstanding.

Section 1102. Supplemental Indentures With Owner Consent. Subject to the provisions contained in this Section, and not otherwise, the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Master Indenture to the contrary notwithstanding, to consent to and approve the adoption of such indentures supplemental hereto or amendatory hereof as shall be deemed desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the provisions of this Master Indenture, provided, however, that nothing herein contained shall permit, or be construed as permitting, without the consent of all Owners of Bonds then Outstanding.

(a) an extension of the maturity of, or an extension of the Interest Payment Date on, any Bond;

(b) a reduction in the principal, premium, or interest on any Bond;

(c) a preference or priority of any Bond over any other Bond; or

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

Section 1104. Supplemental Indenture Part of Indenture. Any Supplemental Indenture executed in accordance with this Article and approved as to legality by counsel to the District shall hereafter form a part of this Master Indenture. Except as applicable only to Bonds of a Series, all of the terms and conditions contained in any such Supplemental Indenture amendatory of this Master Indenture shall be part of the terms and conditions hereof.

Section 1105. Insurer or Issuer of a Credit or Liquidity Facility as Owner of Bonds. As long as a Credit or Liquidity Facility securing all or a portion of the Bonds of a Series Outstanding in effect, the issuer of the Credit or Liquidity Facility or the Insurer, to the extent so authorized in the applicable Supplemental Indenture, will be deemed to be the Owner of the Bonds of such Series secured by the Credit or Liquidity Facility: (i) at all times for the purpose of the execution and delivery of a Supplemental Indenture or of any amendment, change or modification of the Indenture or the applicable Supplemental Indenture or the initiation by Owners of any action to be undertaken by the Trustee at the Owner's request, which under the Master Indenture or the applicable Supplemental Indenture requires the written approval or consent of or can be initiated by the Owners of at least a majority in principal amount of the Bonds of the Series at the time Outstanding; (ii) at all times for the purpose of the mailing of any notice to Owners under the Master Indenture or the applicable Supplemental Indenture, and (iii) following an Event of Default for all other purposes. Notwithstanding the foregoing, neither an Insurer nor the issuer of a Credit or Liquidity Facility, with respect to a Series of Bonds will not be deemed to be an Owner of the Bonds of such Series with respect to any such Supplemental Indenture or of any amendment, change or modification of the Master Indenture which would have the effect of permitting: (i) a change in the terms of redemption or maturity of any Bonds of a Series Outstanding or of any installment of interest thereon, or (ii) a reduction in the principal amount or the Redemption Price thereof or in rate of interest thereon; or (iii) reducing the percentage or otherwise affecting the classes of Bonds the consent of the Owners of which is required to effect any such modification or amendment; or (iv) creating any preference or priority of any Bond of a Series over any other Bond of such Series.

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ARTICLE XII
DEFESANCE

Section 1201. Defeasance and Discharge of the Lien of this Master Indenture and Supplemental Indentures

(a) If the District pays or causes to be paid, or there shall otherwise be paid, to the Owners of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon and the obligations under any Letter of Credit Agreement and any Liquidity Agreement, at the times and in the manner stipulated therein and in this Master Indenture and any Letter of Credit Agreement and any Liquidity Agreement and pays or causes to be paid all other moneys owing hereunder and under any Supplemental Indenture, including any amounts then owing to the Trustee, then the lien of this Master Indenture and all covenants, agreements and other obligations of the District to the Owners and the trust of any Credit Facility or Liquidity Facility shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee upon the request of the District shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee and the Paying Agent shall pay over or deliver, as directed by the District, all moneys or securities held by them pursuant to this Master Indenture which are not required for the payment of principal, interest or Redemption Price, if applicable, on Bonds not theretofore surrendered for such payment or redemption or for payment of obligations under any Letter of Credit Agreement and any Liquidity Agreement. If the District pays or causes to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Bonds or of a particular maturity, of a particular Series or of any part of a particular maturity or Series the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Master Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under this Master Indenture, and all covenants, agreements and obligations of the District to the Owners of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Anything to the contrary in this Section 1201 notwithstanding, this Master Indenture shall not be discharged nor shall any Bonds with respect to which moneys or Federal Securities have been deposited in accordance with the provisions of this Section 1201 cease to be entitled to the lien, benefit or security under this Master Indenture, except to the extent that the lien, benefit and security of this Master Indenture and the obligations of the District hereunder shall be limited solely to and such Bonds shall be secured solely by and be payable solely from the moneys or Federal Securities so deposited.

(b) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit pursuant to this Master Indenture of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in this Section. All Outstanding Bonds of any particular maturity or Series shall prior to the maturity or redemption date thereof be deemed to have

(c) As to any Variable Rate Bonds, whether discharged and satisfied under the provisions of subsection (a) or (b) above, the amount required for the interest thereon shall be calculated at the maximum rate permitted by the terms of the provisions which authorized the issuance of such Variable Rate Bonds; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Investment Obligations on deposit for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Bonds in order to fully discharge and satisfy such Bonds and obligations under any Letter of Credit Agreement and any Liquidity Agreement pursuant to the provisions of this Section, the District may use the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing said Variable Rate Bonds or otherwise existing under this Master Indenture or under any Letter of Credit Agreement or any Liquidity Agreement.

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

(e) Anything in this Master Indenture to the contrary notwithstanding, any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for six (6) years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for six (6) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bonds became due and payable, shall, at the written request of the District be repaid by the Trustee or Paying Agent to the District, as its absolute property and free from trust, and the Trustee or Paying Agent shall thereupon be released and discharged with

been paid within the meaning and with the effect expressed in subsection (a) of this Section 1201 if: (i) in case any of such Bonds are to be redeemed on any date prior to their maturity, the District shall have given to the Trustee or the Bond Registrar irrevocable instructions accepted in writing by the Trustee or the Bond Registrar to mail as provided in Article III notice of redemption of such Bonds on such date; (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Federal Securities, the principal of and the interest on which when due shall, as demonstrated in an Accountant's Certificate, provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be; (iii) the District shall have given the Trustee or the Bond Registrar in form satisfactory to it irrevocable instructions to mail, postage prepaid, to each registered Owner of Bonds then Outstanding at the address, if any, appearing upon the registry books of the District, a notice to the registered Owners of such Bonds and to the Registrar that the deposit required by (ii) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section 1201 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on such Bonds; and (iv) an opinion of Bond Counsel to the effect that such defeasance is permitted under this Master Indenture and the Supplemental Indenture relating to the Series of Bonds so defeased and that, in the case of Tax-Exempt Bonds, such defeasance will not adversely affect the tax exempt status of such Series of Bonds. Neither Federal Securities nor moneys deposited with the Trustee pursuant to this Section 1201 nor principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or redemption price, if applicable, and interest on such Bonds, provided that any cash received from such principal or interest payments on such Federal Securities deposited with the Trustee: (i) to the extent such cash shall not be required at any time for such purpose as evidenced by an Accountant's Certificate or, and to the extent all obligations under any Letter of Credit Agreement or any Liquidity Agreement are satisfied, as determined by an Insurer or an issuer of any Credit Facility and any Liquidity Facility securing the Bonds with respect to which such Federal Securities have been so deposited, shall be paid over upon the direction of the District as received by the Trustee, free and clear of any trust, lien, pledge or assignment securing such Bonds or otherwise existing under this Master Indenture; and (ii) to the extent such cash shall be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Federal Securities maturing at times and in amounts sufficient to pay when due the principal or redemption price, if applicable, and interest to become due on such Bonds, or obligations under any Letter of Credit Agreement or any Liquidity Agreement, on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over as received by the Trustee to the District, free and clear of any lien, pledge or security interest securing such Bonds or otherwise existing under this Master Indenture. For the purposes of this provision, Federal Securities means and includes only such securities which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof

respect thereto and the Owners shall look only to the District for the payment of such Bonds, provided, however, that before being required to make any such payment to the District, the Trustee or Paying Agent shall, at the expense of the District, cause to be mailed, postage prepaid, to any Insurer or any issuer of any Credit Facility or Liquidity Facility, and to each registered Owner of Bonds then Outstanding at the address, if any, appearing upon the registry books of the District, a notice that such moneys remain unclaimed and that, after a date named in such notice, which date shall be not less than thirty (30) days after the date of the mailing of such notice, the balance of such moneys then unclaimed shall be returned to the District.

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

(g) Anything in this Master Indenture to the contrary notwithstanding, the provisions of the foregoing subsections (b) through (f) shall apply to the discharge of Bonds of a Series and to the discharge of the lien of any Supplemental Indenture securing such Series of Bonds as though each reference to the "Master Indenture" were a reference to such "Supplemental Indenture" and as though each reference to "Bonds Outstanding" were a reference to the "Bonds of such Series Outstanding."

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

ARTICLE XIII
MISCELLANEOUS PROVISIONS

Section 1301. Effect of Covenants. All covenants, stipulations, obligations and agreements of the District contained in this Master Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the District and of the Governing Body of the District to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall bind or inure to the benefit of the successor or successors thereof from time to time and any officer, board, body or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

Except as otherwise provided herein, all rights, powers and privileges conferred, and duties and liabilities imposed, upon the District or upon the Governing Body by this Master Indenture shall

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

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

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

To the District, addressed to:

District Manager
Miromar Lakes Community Development District
210 N University Drive, Suite 800
Coral Springs, Florida 33071

To the Trustee, addressed to:

First Union National Bank
One First Union Financial Center
200 South Biscayne Boulevard, 14th Floor
Miami, Florida 33131
Attention: Corporate Trust Department

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

All documents received by the District and the Trustee under this Master Indenture shall be retained in their possession, subject at all reasonable times upon reasonable notice to the inspection of any Owner and the agents and representatives thereof.

Section 1303. Manner of Giving Notice to the Owners. Any notice, demand, direction, request, or other instrument authorized or required by this Master Indenture to be mailed to the Owners shall be deemed to have been sufficiently mailed if mailed by first class mail, postage pre-paid, to the Owners at their addresses as they appear at the time of mailing on the registration books maintained by the Bond Registrar.

Section 1304. Successorship of District Officers. If the offices of Chairman, or Secretary shall be abolished or any two or more of such offices shall be merged or consolidated, or in the event

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

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

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

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

Section 1308. Effect of Partial Invalidity. In case any one or more of the provisions of this Master Indenture or of any Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Master Indenture or of the Bonds, but this Master Indenture and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. The Bonds are issued and this Master Indenture is adopted with the intent that the laws of the State of Florida shall govern their construction.

Section 1309. Attorney's Fees. Any reference herein to the term "attorneys' fees" or "legal fees" or words of like import shall include but not be limited to fees of legal assistants and paralegals and fees incurred in any and all legal proceedings, including any trial or appellate level proceedings, and any sales tax thereon.

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

SEAL

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

ATTEST:

By: _____
Chairman, Board of Supervisors

Secretary

SEAL

FIRST UNION NATIONAL BANK, as Trustee

By: _____
Authorized Signatory

EXHIBIT A
FORM OF REQUISITION

The undersigned, an Authorized Officer of Miromar Lakes Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture from the District to First Union National Bank, as trustee (the "Trustee"), dated as of December 1, 2000 (the "Master Indenture"), as amended and supplemented by the [] Supplemental Indenture from the District to the Trustee, dated as of [] (the Master Indenture as amended and supplemented is hereinafter referred to as the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture)

- (A) Requisition Number:
- (B) Name of Payee:
- (C) Amount Payable:
- (D) Purpose for which paid or incurred (refer also in specific contract if amount is due and payable pursuant to a contract involving progress payments, or state Costs of Issuance, if applicable):
- (E) Fund or Account and subaccount, if any, from which disbursement to be made:

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

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

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

If this requisition is for a disbursement from other than the Costs of Issuance Account or for payment of capitalized interest, there shall be attached a resolution of the Governing Body of the District approving this requisition or the approving the specific contract with respect to which disbursements pursuant to this requisition are due and payable.

Attached hereto are originals of the invoice(s) from the vendor of the property acquired or services rendered with respect to which disbursement is hereby requested.

**MIROMAR LAKES
COMMUNITY DEVELOPMENT DISTRICT**

By:

Authorized Officer

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

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

Consulting Engineer

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FIRST SUPPLEMENTAL TRUST INDENTURE

**MIROMAR LAKES
COMMUNITY DEVELOPMENT DISTRICT**

TO

**FIRST UNION NATIONAL BANK,
AS TRUSTEE**

Dated as of December 1, 2000

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**FIRST SUPPLEMENTAL
TRUST INDENTURE**

THIS FIRST SUPPLEMENTAL TRUST INDENTURE (the "First Supplemental Indenture") dated as of December 1, 2000, from **MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT** (the "District") to **First Union National Bank**, as Trustee (the "Trustee"), a national banking association existing under and by virtue of the laws of the United States and authorized to accept and execute trusts of the character herein set out, with its designated corporate trust office located in Miami, Florida and its designated office and post office address located at One First Union Financial Center, 200 South Biscayne Boulevard, 14th Floor, Miami, Florida 33131, Attention: Corporate Trust Department.

WHEREAS, the District has entered into a Master Trust Indenture, dated as of December 1, 2000 (the "Master Indenture") with the Trustee to secure the issuance of its **Miromar Lakes Community Development District Capital Improvement Revenue Bonds** (the "bonds"), issuable in one or more series from time to time; and

WHEREAS, the Governing Body of the District duly adopted Resolution No. 2000-13, on September 19, 2000, providing for the acquisition and construction of the 2000 Project (hereinafter defined), providing estimated Costs of the 2000 Project, defining assessable property to be benefited by the 2000 Project, defining the portion of the cost of the 2000 Project with respect to which Assessments will be imposed and the manner in which such assessments shall be levied against such benefited property within the District (the "Assessments"), 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 and construction of the 2000 Project (the "Preliminary Assessment Resolution") and the Governing Body of the District duly adopted Resolution No. 2001-1 on October 26, 2000, following a public hearing conducted in accordance with the Act, to fix and establish the assessments and the benefited property (the "Assessment Resolution"); and

WHEREAS, pursuant to Resolutions Nos. 2000-12 and 2001-6, adopted by the Governing Body of the District on September 19, 2000 and November 21, 2000, respectively (collectively, the "Bond Resolutions"), the District has authorized the issuance, sale and delivery of \$41,925,000 of its **Miromar Lakes Community Development District Capital Improvement Revenue Bonds, Series 2000** (the "2000 Bonds"), in one or more Series and two Series, comprised of \$14,530,000 of its **Miromar Lakes Community Development District Capital Improvement Revenue Bonds, Series 2000A** (the "2000A Bonds") and \$27,395,000 of its **Miromar Lakes Community Development District Capital Improvement Revenue Bonds, Series 2000B** (the "2000B Bonds"), and authorized the execution and delivery of the Master Indenture and this First Supplemental Indenture to secure the issuance of the 2000 Bonds and to set forth the terms of the 2000 Bonds; and

WHEREAS, the District will apply the proceeds of the 2000 Bonds to: (i) finance the Costs of acquiring, constructing and equipping certain assessable improvements (the "2000 Project"); (ii) pay certain costs associated with the issuance of the 2000 Bonds; (iii) make a deposit into the related Series Reserve Accounts for the benefit of all of the 2000 Bonds; and (iv) pay a portion of the interest to become due on the 2000 Bonds; and

WHEREAS, pursuant to the Constitution and laws of the State of Florida, particularly Chapter 75, Florida Statutes (1999), as amended, the Bonds were validated by judgment of the Circuit Court for Lee County, Florida, rendered on November 6, 2000, the period for appeal having expired and no appeal from such final judgement having been taken; and

WHEREAS, the execution and delivery of the 2000 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 2000 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 Trust Estate (as defined in the Master Indenture) 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 2000 Bonds by the purchaser or purchasers thereof, and other good and valuable consideration, receipt of which is hereby acknowledged, and in order to further secure the payment of the principal and Redemption Price of, and interest on, all 2000 Bonds Outstanding (as defined in the Master Indenture) from time to time, according to their tenor and effect, and such other payments required to be made under the Master Indenture or hereunder, and such other payments due under any Letter of Credit Agreement or Liquidity Agreement (as defined in the Master Indenture), and to further secure the observance and performance by the District of all the covenants, expressed or implied in the Master Indenture, in this First Supplemental Indenture and in the 2000 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 Assessments (the "2000 Pledged Revenues") and the Funds and Accounts (except for the 2000 Rebate Account) established hereby (the "2000 Pledged Funds and Accounts") which shall comprise a part of the Trust Estate securing the 2000 Bonds (the "2000 Trust Estate");

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

IN TRUST NEVERTHELESS, except as in each such case may otherwise be provided in the Master Indenture, upon the terms and trusts in the Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the 2000 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 2000 Bond over any other 2000 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 2000 Bonds or any 2000 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 2000 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 Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all 2000 Bonds or any 2000 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 2000 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 2000 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

"2000 Bonds" shall mean collectively, the Series 2000A Bonds and the Series 2000B Bonds.

"2000 Investment Obligations" shall mean those obligations described under the definition of "Investment Obligations" in the Master Indenture.

"2000 Pledged Revenues" shall mean the Assessments.

"2000A Assessment Principal" shall mean the principal amount of Assessments received by the District which represent a proportionate amount of the principal of and Amortization Installments of the 2000A Bonds, other than Delinquent Assessment Principal and 2000A Prepayment Principal.

"2000B Assessment Principal" shall mean the principal amount of Assessments received by the District which represent a proportionate amount of the principal of and Amortization Installments of the 2000B Bonds, other than Delinquent Assessment Principal and 2000B Prepayment Principal.

"2000A Prepayment Principal" shall mean the excess amount of 2000A Assessment Principal received by the District over the 2000A Assessment Principal included within an Assessment appearing on any outstanding and unpaid tax bill, whether or not mandated to be prepaid in accordance with the Assessment Proceedings.

"2000B Prepayment Principal" shall mean the excess amount of 2000B Assessment Principal received by the District over the 2000B Assessment Principal included within an Assessment appearing on any outstanding and unpaid tax bill, whether or not mandated to be prepaid in accordance with the Assessment Proceedings.

"2000 A Reserve Account Requirement" shall mean the lesser of: (A) Maximum Annual Debt Service Requirement for all Outstanding 2000A Bonds, (B) 125% of the average annual debt service for all Outstanding 2000A Bonds, or (C) 10% of the proceeds of the 2000A Bonds calculated as of the date of original issuance thereof.

"2000 B Reserve Account Requirement" shall mean (A) on the date of initial issuance of the 2000B Bonds, the lesser of: (i) Maximum Annual Debt Service Requirement for all Outstanding 2000B Bonds, (ii) 125% of the average annual debt service for all Outstanding 2000B Bonds, or (iii) 10% of the proceeds of the 2000A Bonds calculated as of the date of original issuance thereof, and (B) at anytime after the date of initial issuance, shall mean 10% of the Deemed Outstanding principal amount of the 2000B Bonds, from time to time.

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

different meaning herein or (ii) the context clearly requires otherwise. In addition, unless the context clearly requires otherwise, the following terms used herein shall have the following meanings:

"Assessment Interest" shall mean the interest on Assessments received by the District which is pledged in the 2000 Bonds.

"Assessment Proceedings" shall mean the proceedings of the District with respect to the establishment, levy and collection of the Assessments, including, but not limited to Resolutions No 2000-13, 2000-14 and 2001-1, adopted by the Governing Body of the District, and any supplemental proceedings undertaken by the District with respect to the Assessments.

"Assessment Revenues" shall mean Assessments received by the District from the levy thereof on the benefited lands within the District and which are pledged to the 2000 Bonds.

"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.

"Deemed Outstanding" shall mean, solely in the case of the 2000B Bonds, the aggregate Outstanding principal amount of 2000B Bonds, reduced by the result of dividing: (x) the amount on deposit in the 2000B Prepayment Subaccount in the 2000 Redemption Account by (y) .90.

"Delinquent Assessment Interest" shall mean Assessment Interest deposited by the District with the Trustee on or after the date on which such Assessment Interest has, or would have, become delinquent under State law applicable thereto.

"Delinquent Assessment Principal" shall mean Assessment Principal deposited by the District with the Trustee on or after the date on which such Assessment Principal has, or would have, become delinquent under State law applicable thereto.

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

"Interest Payment Date" shall mean each May 1 and November 1, commencing May 1, 2001.

"2000A Bonds" shall mean \$14,530,000 Miromar Lakes Community Development District Capital Improvement Revenue Bonds, Series 2000A.

"2000B Bonds" shall mean \$27,395,000 Miromar Lakes Community Development District Capital Improvement Revenue Bonds, Series 2000B.

ARTICLE II AUTHORIZATION, ISSUANCE AND PROVISIONS OF 2000 BONDS

Section 201. Authorization of 2000 Bonds; Book-Entry Only Form. The 2000 Bonds are hereby authorized to be issued in two Series in the aggregate principal amount of \$41,925,000 for the purposes enumerated in the recitals hereto to be designated "Miomar Lakes Community Development District Capital Improvement Revenue Bonds, Series 2000A" in the initial principal amount of \$14,530,000 and "Miomar Lakes Community Development District Capital Improvement Revenue Bonds, Series 2000B" in the initial principal amount of \$27,395,000. The 2000 Bonds shall be substantially in the form set forth as Exhibit B to this First Supplemental Indenture. Each 2000A Bond shall bear the designation "2000AR" and each 2000B Bond shall bear the designation "2000BR" and shall be numbered consecutively from 1 upwards.

The 2000 Bonds shall be initially issued in the form of a separate single certificated fully registered 2000 Bond for each Series and maturity thereof. Upon initial issuance, the ownership of each such 2000 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 2000 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 2000 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 2000 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 2000 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 2000 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each 2000 Bond is registered in the registration books kept by the Bond Registrar as the absolute owner of such 2000 Bond for the purpose of payment of principal, premium and interest with respect to such 2000 Bond, for the purpose of giving notices of redemption and other matters with respect to such 2000 Bond, for the purpose of registering transfers with respect to such 2000 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the 2000 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 2000 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 2000 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 2000 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 2000 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 2000 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 2000 Bonds shall designate, in accordance with the provisions hereof.

Section 202. Terms of 2000 Bonds. The 2000 Bonds shall be Term Bonds, shall be issued in two series, shall bear interest at the fixed interest rates per annum and shall mature in the amounts and on the dates set forth below:

Series	Principal Amount	Interest Rate	Maturity (May 1)
2000A	\$14,530,000	7.375%	2032
2000B	\$27,395,000	7.25%	2012

Section 203. Dating; Interest Accrual. Each 2000 Bond shall be dated December 1, 2000. Each 2000 Bond also shall bear its date of authentication. Each 2000 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 2000 Bond has been paid, in which event such 2000 Bond shall bear interest from its date of authentication, or (ii) is prior to the first Interest Payment Date for the 2000 Bonds, in which event, such 2000 Bond shall bear interest from its date. Interest on the 2000 Bonds shall be due and payable on each May 1 and November 1, commencing May 1, 2001, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 204. Denominations. The 2000 Bonds shall be issued in Authorized Denominations; provided, however, that the 2000 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.

(f) An Engineers' Certificate or Engineers' Certificates which set forth the estimated Cost of the 2000 Project.

(g) A certified copy of the final judgment of validation in respect of the Bonds together with a certificate of no appeal.

ARTICLE III REDEMPTION OF 2000 BONDS

Section 301. 2000 Bonds Subject to Redemption. The 2000 Bonds are subject to redemption prior to maturity as provided in the form thereof set forth as Exhibit B in this First Supplemental Indenture.

Section 302. Priority of Redemption From Excess Acquisition and Construction Account Proceeds. Excess moneys on deposit in the 2000 Acquisition and Construction Fund which are to be deposited into a 2000 Prepayment Subaccount in the 2000 Redemption Account in accordance with Section 403(b) hereof shall first be deposited into the 2000B Prepayment Subaccount and used for the extraordinary mandatory redemption of the 2000B Bonds until such time as all of the Outstanding 2000B Bonds have been paid, or payment thereof provided for, and, thereafter, shall be deposited into the 2000A Prepayment Subaccount and used for the extraordinary mandatory redemption of the 2000A Bonds.

ARTICLE IV DEPOSIT OF 2000 BOND PROCEEDS AND APPLICATION THEREOF; ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF

Section 401. Establishment of Accounts. (a) There are hereby established, the following Funds and Accounts:

(i) There are hereby established within the Acquisition and Construction Fund held by the Trustee the following accounts:

- (i) a 2000 Acquisition and Construction Account,
- (ii) a 2000 Costs of Issuance Account.

(b) There are hereby established within the Debt Service Fund held by the Trustee: (i) a 2000 Debt Service Account and therein a 2000A Sinking Fund Account, a 2000B Sinking Fund Account and a 2000 Interest Account; and (ii) a 2000 Redemption Account, and therein a 2000A Prepayment Subaccount, a 2000B Prepayment Subaccount and an Optional Redemption Subaccount.

Section 205. Paying Agent. The District appoints the Trustee as Paying Agent for the 2000 Bonds.

Section 206. Bond Registrar. The District appoints the Trustee as Bond Registrar for the 2000 Bonds.

Section 207. Conditions Precedent to Issuance of 2000 Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the 2000 Bonds, all the 2000 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 Assessment Proceedings;
- (b) Executed copies of the Master Indenture and this First Supplemental Indenture;

(c) A Bond Counsel opinion to the effect that: (i) the District has the right and power under the Act as amended to the date of such opinion to authorize, execute and deliver the Master Indenture and this First Supplemental Indenture, and the Master Indenture and this First Supplemental Indenture have been duly and lawfully authorized, executed and delivered by the District, are in full force and effect and are valid and binding upon the District and enforceable in accordance with their respective terms, (ii) the Master Indenture, as amended and supplemented by this First Supplemental Indenture, creates the valid pledge which it purports to create of the 2000 Trust Estate in the manner and to the extent provided in the Master Indenture and this First Supplemental Indenture, and (iii) the 2000 Bonds are valid, binding, special obligations of the District, enforceable in accordance with their terms and the terms of the Master Indenture and this First Supplemental Indenture, subject to bankruptcy, insolvency or other laws affecting the rights of creditors generally and entitled to the benefits of the Act as amended to the date of such opinion, and the 2000 Bonds have been duly and validly authorized and issued in accordance with law and the Master Indenture and this First Supplemental Indenture;

(d) An opinion of Counsel to the District to the effect that the District has good right and lawful authority under the Act to undertake the 2000 Project being financed with the proceeds of the 2000 Bonds, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body having lawful jurisdiction in order to undertake the 2000 Project, that all proceedings undertaken by the District with respect to the Assessments have been in accordance with Florida law and that the District has taken all action necessary to levy and impose the Assessments, the Assessments are legal, valid and binding first liens upon the property against which such Assessments are made, coequal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid;

(e) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the 2000 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;

(c) There is hereby established within the Reserve Fund held by the Trustee a 2000A Reserve Account and a 2000B Reserve Account, which shall be jointly held for the benefit of all of the 2000 Bonds, without distinction as to Series of 2000 Bonds and without privilege or priority of one Series of 2000 Bonds over another;

(d) There is hereby established within the Revenue Fund held by the Trustee a 2000 Revenue Account; and

(e) There is hereby established within the Rebate Fund held by the Trustee a 2000 Rebate Account.

Section 402. Use of 2000 Bond Proceeds. The net proceeds of sale of the 2000 Bonds, \$41,549,848.61, 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) \$4,962,329.60, representing Capitalized Interest and \$169,872.61 representing Accrued Interest, shall be deposited to the credit of the 2000 Interest Account;
- (b) \$1,205,581.26 has been deposited to the credit of the 2000A Reserve Account and \$2,304,326.56, shall be deposited to the credit of the 2000B Reserve Account;
- (c) \$125,000.00 shall be deposited to the credit of the 2000 Costs of Issuance Account; and
- (d) \$32,782,737.58 shall be deposited in the credit of the 2000 Acquisition and Construction Account.

Section 403. 2000 Acquisition and Construction Account. (a) Amounts on deposit in the 2000 Acquisition and Construction Account shall be applied to pay the Costs of the 2000 Project upon compliance with the requisition provisions set forth in Section 503(b) of the Master Indenture.

(b) Any balance remaining after the Date of Completion and after retaining the amount, if any, of all remaining unpaid Costs of the 2000 Project set forth in the Engineers' Certificate establishing such Date of Completion, shall be transferred in and deposited in the 2000 Redemption Account and applied to the Extraordinary Mandatory Redemption of the 2000 Bonds in the order of priority set forth in Section 302 hereof and in the manner prescribed in the form of 2000 Bond set forth as Exhibit B hereto.

Section 404. Costs of Issuance Account. The amount deposited in the 2000 Costs of Issuance Account shall, at the written direction of an Authorized Officer to the Trustee, be used to pay the costs of issuance relating to the 2000 Bonds. At the written direction of an Authorized

Officer, any amounts deposited in the 2000 Costs of Issuance Account which are not needed to pay such costs shall be transferred over and deposited into the 2000 Acquisition and Construction Account and used for the purposes permitted therefor.

Section 405. 2000A Reserve Account and 2000B Reserve Account. Amounts on deposit in the 2000A Reserve Account and 2000B Reserve Account shall be used only for the purpose of making payments into the 2000 Interest Account, the 2000A Sinking Fund Account and the 2000B Sinking Fund Account to pay the 2000 Bonds; without distinction as to 2000 Bonds and without privilege or priority of one 2000 Bond over another, when due when the moneys on deposit in such Accounts therein and available therefor are insufficient and for no other purpose. Such Accounts shall consist only of cash and Investment Obligations.

Anything herein or in the Master Indenture to the contrary notwithstanding, simultaneously with deposit by the Trustee of 2000B Prepayment Principal into the 2000B Prepayment Subaccount, the Trustee is hereby authorized and directed to recalculate the 2000B Reserve Account Requirement and to transfer any resulting excess on deposit in the 2000B Reserve Account into the 2000B Prepayment Subaccount to be used for the extraordinary mandatory redemption of 2000B Bonds as provided for herein and therein.

Notwithstanding the foregoing, on the earliest date on which there is on deposit in the 2000A Reserve Account, sufficient monies, taking into account other monies available therefor, to pay and redeem all of the Outstanding 2000A Bonds, together with accrued interest and redemption premium, if any, on such 2000A Bonds to the earliest date of redemption permitted therein and herein, then the Trustee shall transfer the amount on deposit in the 2000A Reserve Account into the 2000A Prepayment Subaccount in the 2000 Redemption Account to pay and redeem all of the Outstanding 2000A Bonds on the earliest date permitted for redemption therein and herein. On the earliest date on which there is on deposit in the 2000B Reserve Account, sufficient monies, taking into account other monies available therefor, to pay and redeem all of the Outstanding 2000B Bonds, together with accrued interest and redemption premium, if any, on such 2000B Bonds to the earliest date of redemption permitted therein and herein, then the Trustee shall transfer the amount on deposit in the 2000B Reserve Account into the 2000B Prepayment Subaccount in the 2000 Redemption Account to pay and redeem all of the Outstanding 2000B Bonds on the earliest date permitted for redemption therein and herein.

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(iv) Delinquent Assessment Interest, which shall first be applied to restore the amount of any withdrawal from the 2000A Reserve Account or the 2000B Reserve Account to pay the interest on 2000 Bonds, and, the balance, if any, deposited into the 2000 Revenue Account, and

(v) all other Assessment Revenues, which shall be deposited into the 2000 Revenue Account

Moneys other than Assessment Revenues, shall, at the written direction of the District be deposited into the Optional Redemption Subaccount of the 2000 Redemption Account and used to pay the principal of and premium, if any, on 2000 Bonds called or to be called for optional redemption at the written direction of the District in accordance with the provisions for optional redemption of 2000 Bonds as set forth in the form of 2000 Bonds attached hereto.

(c) On each March 15 and September 15 (or if such March 15 or September 15 is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the 2000A Prepayment Subaccount or the 2000B Prepayment Subaccount of the 2000 Redemption Account, respectively, and, if the balance therein is greater than zero, shall transfer from the 2000 Revenue Account for deposit into such Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to an integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of the corresponding Series of 2000 Bonds on the next succeeding Interest Payment Date in the maximum aggregate principal amount for which moneys are then on deposit in such Prepayment Subaccount in accordance with the provisions for extraordinary redemption of such Series of 2000 Bonds set forth in the respective form of 2000 Bond attached hereto, Section 3.01 hereof, and Article III of the Master Indenture.

(d) On each May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, then on the Business Day preceding such date), the Trustee shall transfer from amounts on deposit in the 2000 Revenue Account to the Funds and Accounts designated below, the following amounts in the following order of priority:

FIRST, to the 2000 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all 2000 Bonds then Outstanding on such May 1 or November 1, less any amount already on deposit in the 2000 Interest Account not previously credited.

SECOND, in the case of the 2000A Bonds, to the 2000A Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all 2000A Bonds subject to mandatory sinking fund redemption on each May 1, and the amount already on deposit in the 2000A Sinking Fund Account not previously credited and, in the case of the 2000B Bonds, on the maturity date thereof, to the 2000B Sinking Fund Account, the amount, if any, equal to the difference between the then-Outstanding principal amount of the 2000B Bonds and any amount already on deposit in the 2000B Sinking Fund Account not previously credited;

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Section 406. Amortization Installments. (a) The Amortization Installments are established for the 2000 Bonds shall be as set forth in the forms of Bonds attached hereto.

(b) Upon any redemption of 2000 Bonds of a Series (other than 2000 Bonds of such Series redeemed in accordance with scheduled Amortization Installments and other than 2000 Bonds of such Series redeemed at the direction of the District accompanied by a cash flow certificate as required by Section 506(b) of the Master Indenture), the District shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so as to amortize the Outstanding principal amount of the 2000 Bonds of the Series so redeemed in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of such Series of 2000 Bonds.

Section 407. Tax Covenants and Rebate Accounts. The District shall comply with the Tax Regulatory Covenants set forth as Exhibit C to this First Supplemental Indenture, as amended and supplemented from time to time in accordance with their terms.

Section 408. Establishment of 2000 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 2000 Revenue Account into which the Trustee shall deposit any and all amounts required to be deposited therein by this Section 408 or by any other provision of the Master Indenture or this Supplemental Indenture, and any other amounts or payments specifically designated by the District pursuant to a written direction or by a Supplemental Indenture for said purpose. The 2000 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 District shall deposit Assessment Revenues with the Trustee immediately upon receipt together with a written accounting setting forth the amounts of such Assessment Revenues in the following categories which shall be deposited by the Trustee into the Funds and Accounts established hereunder as follows:

(i) 2000A Assessment Principal, which shall be deposited into the 2000A Sinking Fund Account and 2000B Assessment Principal, which shall be deposited into the 2000B Sinking Fund Account;

(ii) 2000A Prepayment Principal, which shall be deposited into the 2000A Prepayment Subaccount in the Redemption Account and 2000B Prepayment Principal, which shall be deposited into the 2000B Prepayment Subaccount in the Redemption Account;

(iii) 2000A Delinquent Assessment Principal, which shall first be applied to restore the amount of any withdrawal from the 2000A Reserve Account to pay the principal of 2000 Bonds, and, the balance, if any, shall be deposited into the 2000A Sinking Fund Account and 2000B Delinquent Assessment Principal, which shall first be applied to restore the amount of any withdrawal from the 2000B Reserve Account to pay the principal of 2000 Bonds, and, the balance, if any, shall be deposited into the 2000B Sinking Fund Account;

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THIRD, to the 2000A Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the 2000A Reserve Account Requirement with respect to the 2000A Bonds and in the 2000B Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the 2000B Reserve Account Requirement with respect to the 2000B Bonds, and

FOURTH, the balance shall be retained in the 2000 Revenue Account.

(e) On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction, and the Trustee shall, transfer over in from the 2000 Revenue Account to the Rebate Account established for the 2000 Bonds in the Rebate Fund in accordance with the Master Indenture, the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Tax Regulatory Covenants.

(f) On or after each November 2, the Trustee shall, at the written direction of the District transfer to the District the balance on deposit in the 2000 Revenue Account on such November 2 to be used for any lawful District purpose; provided, however, that on the date of such proposed transfer the amount on deposit in the 2000A Reserve Account and the 2000B Reserve Account in the Debt Service Reserve Fund shall be equal to the aggregate Reserve Account Requirements, and, provided further, that the Trustee shall not have actual knowledge of an Event of Default under the Master Indenture or hereunder relating to any of the 2000 Bonds, including the payment of Trustee's fees and expenses the due.

(g) Anything herein or in the Master Indenture to the contrary notwithstanding, earnings on investments in all of the Funds and Accounts held as security for the 2000 Bonds shall be invested only in 2000 Investment Obligations, and further, earnings on the 2000 Acquisition and Construction Account and the subaccounts therein shall be retained, as realized, in such Accounts or subaccounts and used for the purpose of such Account or subaccount. Earnings on investments in the 2000 Sinking Fund Accounts and the 2000 Redemption Account shall be deposited as realized, to the credit of the 2000 Revenue Account and used for the purpose of such Account.

Earnings on investments in each 2000 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 related Series 2000 Reserve Account as of the most recent date on which amounts on deposit in such Reserve Account were valued by the Trustee, and if no withdrawals have been made from such Reserve Account since such date which have created a deficiency, then earnings on investments in such Reserve Account shall be deposited, as provided in (iii) below.

(ii) if as of the last date on which amounts on deposit in a 2000 Reserve Account were valued by the Trustee there was a deficiency (as defined in Section 509 of the Master Indenture) in such Reserve Account, or if after such date withdrawals have been made from a 2000 Reserve Account and have created such a deficiency, then earnings on investments in

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both of the 2000 Reserve Accounts shall be deposited to the credit of the Reserve Account as to which there is a deficiency until the amount on deposit therein equals the corresponding Reserve Account Requirement and thereafter shall be deposited as provided in (iii) below; and

(iii) except as provided in (i) and (ii) above earnings on the 2000 Reserve Accounts shall be allocated to and deposited into the 2000 Revenue 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. Except as otherwise expressly stated in this First Supplemental Indenture, the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article VI thereof shall apply to the Trustee hereunder.

**ARTICLE VI
ADDITIONAL BONDS**

Section 601. No Parity Bonds. The District covenants and agrees that so long as there are any 2000 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the 2000 Trust Estate, provided, however, that the District reserves the right to issue bonds, notes or other obligations payable from or secured by the 2000 Trust Estate pledged to the 2000 Bonds, but only so long as such bonds, notes or other obligations are not entitled to a lien upon or charge against the 2000 Trust Estate equal or prior to the lien of this Supplemental Indenture securing the 2000 Bonds. Each bond, note or other obligation issued pursuant to the authority of the preceding sentence shall conspicuously state on the face thereof that such obligation is, and such obligation shall be, subordinate and inferior in right of lien and payment to the lien of the Master Indenture and this First Supplemental Indenture on such 2000 Trust Estate and the rights and remedies of the holders of such subordinate debt to payment and upon default thereon and under any instrument securing such subordinate debt shall not be subject to action for collection or acceleration thereof except upon the exercise of and subject to the first and prior rights of the Trustee and Owners of the 2000 Bonds to payment and the control of remedies and acceleration granted hereunder and under the Master Indenture.

**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 2000 Bonds issued hereunder.

Section 702. Continuing Disclosure Agreement. Contemporaneously with the execution and delivery hereof, the District has executed and delivered a Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934. The District covenants and agrees to comply with the provisions of such Continuing Disclosure Agreement; however, as set forth therein, failure to so comply shall not constitute an Event of Default hereunder, but, instead shall be enforceable by mandamus, injunction or any other means of specific performance.

Section 703. Collection of Assessments. Anything herein or in the Master Indenture to the contrary notwithstanding, the District shall not be required to collect the Assessments corresponding to the 2000B Bonds using the Uniform Collection Method, nor shall the District be required to collect the Assessments corresponding to the 2000A Bonds using the Uniform Collection Method until such time as the property subject to the Assessments corresponding in the 2000A Bonds is platted and a distinct ad valorem property tax identification number has been assigned by the Property Appraiser thereto.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, Miromar Lakes Community Development District has caused these presents to be signed in its name and on its behalf by its Chairman, and its official seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized officer, and its corporate seal to be hereunto affixed.

SEAL
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT
Attest:
Secretary _____ By _____
Chairman, Board of Supervisors

SEAL
FIRST UNION NATIONAL BANK, as Trustee
By _____
Authorized Signatory

EXHIBIT A

Description of 2000 Project

**EXHIBIT B
FORMS OF 2000 BOND**

[TEXT OF 2000A BOND FACE]

No. 2000RA- \$14,530,000.00

United States of America
State of Florida
**MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2000A**

<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Dated</u> <u>Date</u>	<u>CUSIP</u>
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Registered Owner: CEDE & CO.

Principal Amount:

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT, a community development district duly created and existing pursuant to Chapter 190, Florida Statutes (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the registered Owner set forth above, or registered assigns, on the maturity date shown hereon, unless this Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture mentioned hereinafter) shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for, or, if no interest has been paid, from the Dated Date shown above on May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing on May 1, 2001, 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).

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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 First Union National Bank, located in Miami, Florida, or any alternate or successor paying agent (collectively, the "Paying Agent"). 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 2000 Bonds, as defined below. Interest on this Bond will be computed on the basis of a 360-day year of twelve 30-day months.

This Bond is one of a duly authorized issue of bonds of the District designated "Capital Improvement Revenue Bonds, Series 2000A" in the aggregate principal amount of \$14,530,000 (the "2000A Bonds") and "Capital Improvement Revenue Bonds, Series 2000B" in the aggregate principal amount of \$27,395,000 (the "2000B Bonds") (the "2000A Bonds," and the "2000B 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"), under a Master Trust Indenture, dated as of December 1, 2000 (the "Master Indenture"), between the District and First Union National Bank, located in Miami, Florida, as trustee (the "Trustee"), as amended and supplemented by a First Supplemental Indenture, dated as of December 1, 2000 (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 2000 Bonds are issued in an aggregate principal amount of \$41,925,000 to: (i) finance the Costs of acquiring, constructing and equipping certain assessable improvements (the "2000 Project"); (ii) pay certain costs associated with the issuance of the 2000 Bonds; (iii) make a deposit into the related Series Reserve Accounts for the benefit of all of the 2000 Bonds; and (iv) pay a portion of the interest to become due on the 2000 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 2000 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 2000

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BONDS RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE, OR THE 2000 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2000 PLEDGED REVENUES AND THE 2000 PLEDGED FUNDS PLEDGED TO THE 2000 BONDS, ALL AS PROVIDED HEREIN, IN THE MASTER INDENTURE AND IN THE SUPPLEMENTAL INDENTURE.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the ordinances and resolutions of the District to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Indenture, have happened, exist and have been performed as so required. This Bond shall not be valid or become obligatory 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.

THE TERMS AND PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE HEREOF AND SUCH CONTINUED TERMS AND PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

IN WITNESS WHEREOF, Miromar Lakes Community Development District has caused this Bond to bear the signature of the Chairman of its Board of Supervisors and the official seal of the District to be impressed or imprinted hereon and attested by the signature of the Secretary to the Board of Supervisors.

Attest	MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT By:
Secretary, Board of Supervisors	Chairman, Board of Supervisors

[Official Seal]

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[FORM OF CERTIFICATE OF AUTHENTICATION
FOR 2000A BONDS]

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

FIRST UNION NATIONAL BANK,
as Trustee

Date of Authentication

By _____
Authorized Signatory

[TEXT OF 2000A BOND]

This Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes (1999), and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the corporate trust office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, Maturity Amount and Redemption Price of, and the interest on, the Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of Assessments (as defined in the Indenture), the terms and conditions under which the Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the registered Owners of the Bonds, and, by the acceptance of this Bond, the registered Owner hereof assents to all of the provisions of the Indenture. The 2000 Bonds are equally and ratably secured by the 2000 Trust Estate, without preference or priority of one 2000 Bond over another. The Supplemental Indenture does not authorize the issuance of any additional Bonds ranking on a parity with the 2000 Bonds as to the lien and pledge of the Trust Estate.

The 2000 Bonds are issuable only as registered bonds without coupons in current interest form in denominations of \$5,000 or any integral multiple thereof (an "Authorized Denomination"). This Bond is transferable by the registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee in Miami, 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. As the corporate trust office of the Bond Registrar in Miami, Florida, in the manner and subject to the limitations and conditions provided in the Indenture and without cost, except for

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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 2000A Bonds may, at the option of the District be called for redemption as a whole, at any time, or in part on any Interest Payment Date, on or after May 1, 2011 (less than all 2000A Bonds to be selected by lot), at the Redemption Prices (expressed as percentages of principal amount) set forth in the following table plus accrued interest from the most recent Interest Payment Date to the redemption date:

Redemption Periods (Dates Inclusive)	Redemption Prices
May 1, 2011 through April 30, 2012	102%
May 1, 2012 through April 30, 2013	101
May 1, 2013 and thereafter	100

The 2000A Bonds are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the 2000A Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments (as defined in the Master Indenture) at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
2003	135,000	2018	415,000
2004	145,000	2019	445,000
2005	160,000	2020	480,000
2006	170,000	2021	515,000
2007	185,000	2022	555,000
2008	200,000	2023	595,000
2009	215,000	2024	645,000
2010	230,000	2025	690,000
2011	245,000	2026	745,000
2012	265,000	2027	800,000
2013	285,000	2028	865,000
2014	305,000	2029	930,000
2015	330,000	2030	1,000,000
2016	355,000	2031	1,080,000
2017	385,000	2032	1,160,000*

*Maturity

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As more particularly set forth in the Master Indenture and Supplemental Indenture, any 2000A 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 2000A Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of 2000A Bonds so as to reamortize the remaining Outstanding principal balance of the 2000A Bonds in substantially level installments of principal and interest over the remaining term thereof.

The 2000A Bonds are subject to Extraordinary Mandatory Redemption prior to maturity, in whole on any date or in part on any Interest Payment Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

(a) on or after the Date of Completion of the 2000 Project (as such terms are defined in the Indenture), by application of moneys transferred from the 2000 Acquisition and Construction Account in the Acquisition and Construction Fund established under the Indenture to the 2000A Prepayment Subaccount of the 2000 Redemption Account in accordance with the terms of the Indenture; or

(b) amounts, including Prepayments (as defined in the Indenture) and amounts transferred into the 2000A Prepayment Subaccount in the 2000 Redemption Account from excess amounts on deposit in the 2000A Reserve Account are deposited into the 2000A Prepayment Subaccount of the 2000 Redemption Account; or

(c) on the date on which the amount on deposit in the 2000A Reserve Account together with other moneys available therefor, are sufficient to pay and redeem all of the 2000A Bonds then Outstanding, including accrued interest thereon.

If less than all of the 2000 Bonds of a Series shall be called for redemption, the particular 2000 Bonds or portions of 2000 Bonds of a Series to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

Notice of each redemption of 2000 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 2000 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 2000 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 2000 Bonds or such portions thereof on such date. Interest on such 2000 Bonds or such portions thereof so called for redemption shall cease to accrue, such 2000 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under

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the Indenture and the Owners thereof shall have no rights in respect of such 2000 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

The Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the 2000 Bonds then Outstanding under the Indenture may become and may be declared due and payable before the stated maturities thereof, with the interest accrued thereon.

Modifications or alterations of the Master Indenture or of any indenture supplemental thereto may be made only in the extent and in the circumstances permitted by the Master Indenture.

Any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any Bond which remain unclaimed for six (6) years after the date when such Bond has become due and payable, either at its stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for six (6) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bond became due and payable, shall be paid to the District, and thereupon and thereafter no claimant shall have any rights against the Paying Agent to or in respect of such moneys.

If the District deposits or causes to be deposited with the Trustee funds or Federal Securities (as defined in the Indenture) sufficient to pay the principal or redemption price of any Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of the 2000 Bonds as to the Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

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

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

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CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court for Lee County, Florida, rendered on November 6, 2000.

Chairman

[FORM OF BOND COUNSEL OPINION]

[FORM OF ABBREVIATIONS FOR 2000A 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 GIFT MIN ACT - _____ Custodian _____ under Uniform Gifts to Minors Act _____
 (Cust) (Minor) (State)

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

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[FORM OF ASSIGNMENT FOR 2000A BONDS]

So long as the District maintains the book-entry only system for the Bonds, unless this certificate is presented by an authorized representative of The Depository Trust Company to the District or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co or such other name as requested by the authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the said Bond on the books of the District, with full power of substitution in the premises.

Dated:

Social Security Number or Employer Identification Number of Transferee:

Signature guaranteed:

NOTICE: 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.

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

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[TEXT OF 2000B BOND FACE]

No. 2000RB-

\$27,395,000.00

United States of America
State of Florida
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2000B

Interest Rate, Maturity Date, Dated Date, CUSIP

Registered Owner: CEDE & CO.

Principal Amount:

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT, a community development district duly created and existing pursuant to Chapter 190, Florida Statutes (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the registered Owner set forth above, or registered assigns, on the maturity date shown hereon, unless this Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture mentioned hereinafter) shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for, or, if no interest has been paid, from the Dated Date shown above on May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing on May 1, 2001, 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) in 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

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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 First Union National Bank, located in Miami, Flor., or any alternate or successor paying agent (collectively, the "Paying Agent"). 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 2000 Bonds, as defined below). Interest on this Bond will be computed on the basis of a 360-day year of twelve 30-day months.

This Bond is one of a duly authorized issue of bonds of the District designated "Capital Improvement Revenue Bonds, Series 2000A" in the aggregate principal amount of \$14,530,000 (the "2000A Bonds") and "Capital Improvement Revenue Bonds, Series 2000B" in the aggregate principal amount of \$27,395,000 (the "2000B Bonds") (the "2000A Bonds," and the "2000B 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"), under a Master Trust Indenture, dated as of December 1, 2000 (the "Master Indenture"), between the District and First Union National Bank, located in Miami, Florida, as trustee (the "Trustee"), as amended and supplemented by a First Supplemental Indenture, dated as of December 1, 2000 (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 2000 Bonds are issued in an aggregate principal amount of \$41,925,000 to: (i) finance the Costs of acquiring, constructing and equipping assessable improvements (the "2000 Project"); (ii) pay certain costs associated with the issuance of the 2000 Bonds; (iii) make a deposit into the related Series Reserve Accounts for the benefit of all of the 2000 Bonds; and (iv) pay a portion of the interest to become due on the 2000 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 2000 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 2000 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE, OR THE 2000 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2000 PLEDGED REVENUES AND THE 2000 PLEDGED FUNDS PLEDGED TO THE

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2000 BONDS, ALL AS PROVIDED HEREIN, IN THE MASTER INDENTURE AND IN THE SUPPLEMENTAL INDENTURE.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the ordinances and resolutions of the District to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Indenture, have happened, exist and have been performed as so required. This Bond shall not be valid or become obligatory 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.

THE TERMS AND PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE HEREOF AND SUCH CONTINUED TERMS AND PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

IN WITNESS WHEREOF, Miromar Lakes Community Development District has caused this Bond to bear the signature of the Chairman of its Board of Supervisors and the official seal of the District to be impressed or imprinted hereon and attested by the signature of the Secretary to the Board of Supervisors

Attest: MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT
By:
Secretary, Board of Supervisors Chairman, Board of Supervisors

[Official Seal]

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[FORM OF CERTIFICATE OF AUTHENTICATION
FOR 2000B BONDS]

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

FIRST UNION NATIONAL BANK,
as Trustee

Date of Authentication

By:
Authorized Signatory

[TEXT OF 2000B BOND]

This Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes (1999), and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the corporate trust office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, Maturity Amount and Redemption Price of, and the interest on, the Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of Assessments (as defined in the Indenture), the terms and conditions under which the Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the registered Owners of the Bonds, and, by the acceptance of this Bond, the registered Owner hereof assents to all of the provisions of the Indenture. The 2000 Bonds are equally and ratably secured by the 2000 Trust Estate, without preference or priority of one 2000 Bond over another. The Supplemental Indenture does not authorize the issuance of any additional Bonds ranking on a parity with the 2000 Bonds as to the lien and pledge of the Trust Estate.

The 2000 Bonds are issuable only as registered bonds without coupons in current interest form in denominations of \$5,000 or any integral multiple thereof (an "Authorized Denomination"). This Bond is transferable by the registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee in Miami, 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 in 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 Miami, Florida, in the manner and subject to the limitations and conditions provided in the Master Indenture and without cost.

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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 thereon is given as above prescribed.

The Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the 2000 Bonds then Outstanding under the Indenture may become and may be declared due and payable before the stated maturities thereof, with the interest accrued thereon.

Modifications or alterations of the Master Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Master Indenture.

Any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any Bond which remain unclaimed for six (6) years after the date when such Bond has become due and payable, either at its stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for six (6) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bond became due and payable, shall be paid to the District, and thereupon and thereafter no claimant shall have any rights against the Paying Agent to or in respect of such moneys.

If the District deposits or causes to be deposited with the Trustee funds or Federal Securities (as defined in the Indenture) sufficient to pay the principal or redemption price of any 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 2000 Bonds as to the Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

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

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

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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 2000B Bonds are not subject to redemption at the option of the District.

The 2000B Bonds are subject to Extraordinary Mandatory Redemption prior to maturity, in whole on any date or in part on any Interest Payment Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

(a) on or after the Date of Completion of the 2000 Project (as such terms are defined in the Indenture), by application of moneys transferred from the 2000 Acquisition and Construction Account in the Acquisition and Construction Fund established under the Indenture to the 2000B Prepayment Subaccount of the 2000 Redemption Account in accordance with the terms of the Indenture; or

(b) amounts, including Prepayments (as defined in the Indenture) and amounts transferred into the 2000B Prepayment Subaccount in the 2000 Redemption Account from excess amounts on deposit in the 2000B Reserve Account are deposited into the 2000B Prepayment Subaccount of the 2000 Redemption Account; or

(c) on the date on which the amount on deposit in the 2000B Reserve Account together with other moneys available therefor, are sufficient to pay and redeem all of the 2000B Bonds then Outstanding, including accrued interest thereon.

If less than all of the 2000 Bonds of a Series shall be called for redemption, the particular 2000 Bonds or portions of 2000 Bonds of a Series to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

Notice of each redemption of 2000 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 2000 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 2000 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 2000 Bonds or such portions thereof on such date, interest on such 2000 Bonds or such portions thereof so called for redemption shall cease to accrue, such 2000 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 2000 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

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CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court for Lee County, Florida, rendered on November 6, 2000.

Chairman

[FORM OF BOND COUNSEL OPINION]

[FORM OF ABBREVIATIONS FOR 2000B 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 GIFT MIN ACT _____ Custodian _____ under Uniform Gifts to Minors Act _____
(Cust) (Minor) (State)

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

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[FORM OF ASSIGNMENT FOR 2000B BONDS]

So long as the District maintains the book-entry only system for the Bonds, unless this certificate is presented by an authorized representative of The Depository Trust Company to the District or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Code & Co. or such other name as requested by the authorized representative of The Depository Trust Company and any payment is made to Code & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Code & Co., has an interest herein.

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the said Bond on the books of the District, with full power of substitution in the premises.

Dated:

Social Security Number of Employer
Identification Number of Transferee:

Signature guaranteed:

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Bond in every particular without alteration or any change whatsoever.

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

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APPENDIX B

**DISTRICT ENGINEER'S REPORT AND
SUPPLEMENTAL ENGINEER'S REPORT**

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EXHIBIT "B"

ENGINEER'S REPORT
FOR THE
MIROMAR LAKES
COMMUNITY DEVELOPMENT DISTRICT

PREPARED FOR:

BOARD OF SUPERVISORS
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

ENGINEERS:

BANKS ENGINEERING, INC.
10511 SIX MILE CYPRESS PARKWAY, SUITE 101
FORT MYERS, FLORIDA 33912

FINANCIAL ADVISOR:

FISHKIND AND ASSOCIATES
2424 RESEARCH PARKWAY, SUITE 275
ORLANDO, FLORIDA 32826

Revised October 23, 2000

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EXHIBITS

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MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

ENGINEER'S REPORT

1. INTRODUCTION

1.1 Description of Miromar Lakes Community Development District

The Miromar Lakes Community Development District is located in Lee County, Florida, lying within Sections 10, 11, 12, 13, 14, 15 and 23, Township 46 South Range 25 East and more precisely being east of Interstate 75, south of Alico Road, north of Florida Golf Coast University and bisected by Ben Hill Griffin Parkway. The completed subdivision will contain a maximum of 2,094 residential dwelling units and 630,000 square feet of commercial space. The residential portion of the project has a mixture of single and multi family units are planned to include an 18 hole championship golf course with a driving range, clubhouse, beach club and marina with lake/water related recreational uses. The commercial portion of the community will include a variety of commercial uses such as retail shops, professional offices, restaurants and a hotel. The project was approved by the Lee County Board of Commissioners for zoning as well as a Development of Regional Impact (DRI) on November 29, 1999. The project was approved per Final Zoning Resolution Z-99-029 and per the Miromar Lakes DRI Development Order #11-9798-142.

The community is planned to be developed in three phases. Construction of Phase One improvements commence in June 2000. The construction of Phases Two and Three are anticipated to be complete by the end of the year 2006.

TABLE 1

TYPE OF USE	ACREAGE +/-	% OF TOTAL
RESIDENTIAL	558.5	57.4
COMMERCIAL	82.5	8.5
BEACH CLUB/MARINA	12.7	1.3
GOLF COURSE/MAINTENANCE	150.5	15.4
CLUB HOUSE	5.4	0.6
RIGHT-OF-WAY	15.2	1.6
PRESERVE & PASSIVE RECREATION	56.0	5.8
LAKES	91.4	9.4
TOTAL	972.2	100.0

1.2 Purpose and Scope of the Report

The purpose of this report is to provide a description of the Miromar Lakes Community Development District, the capital improvements to be constructed and financed by the District and an apportionment of the costs for the capital improvements. The financing and assessment methodology will be developed by the District's financial advisor.

2. DISTRICT BOUNDARIES AND PROPERTIES SERVED

2.1 District Boundaries

Exhibit "A" delineates the proposed boundaries of the District. The District is bound on the west by Interstate 75, the south by undeveloped lands and Florida Golf Coast University and lies south of Alico Road.

2.2 Description of Properties Served

The District is located in Sections 10, 11, 12, 13, 14, 15 and 23, Township 46 South, Range 25 East, Lee County, Florida.

The existing land within the District consists of wetlands and forested open space, and pasture. The terrain is flat with elevations ranging from 16 to 23 feet NGVD. Ground water is generally at or above natural ground to one foot below natural ground during the wet season. The dry season water table may drop up to 5 feet.

The entire property within the District is within the Miromar Lakes Development of Regional Impact (DRI) and is depicted on Exhibit "A".

2.3 Existing Infrastructure

The District is located within the Gulf Environmental Services, Inc. (GES) water-sewer franchise area which provides water and wastewater services to the community. At the present time, GES does not have effluent reuse irrigation water available to the community. The GES franchise area is contracted for purchase by Lee County. At that time the Board of Lee County Commissioners will serve as Ex-Officio Governing Board of this water-sewer service area.

Potable water for the community will be provided by connections to and extension of existing GES water-sewer franchise water mains. There is an existing 12" main located in the Lee County road right-of-way of Ben Hill Griffin Parkway. The potable water is provided by the GES water treatment plant.

Wastewater from the community will be collected within the site and pumped via force mains and pumping stations located within the site. The wastewater from the site will be pumped to an existing 12" force main maintained and operated by the GES. This existing 12" force main is located in the Lee County road right-of-way for Ben Hill Griffin Parkway.

It is the intent of the Miromar Lakes Community Development District to construct, operate and maintain irrigation water services to the community. Currently, on-site pumping and storage facilities are proposed to supply irrigation water for the community. There is an existing 12" reuse irrigation transmission main which is owned and maintained by GES within the Lee County owned right-of-way of Corkscrew Road, approximately 2 miles to the south of the project. However, no effluent reuse water is available at this time.

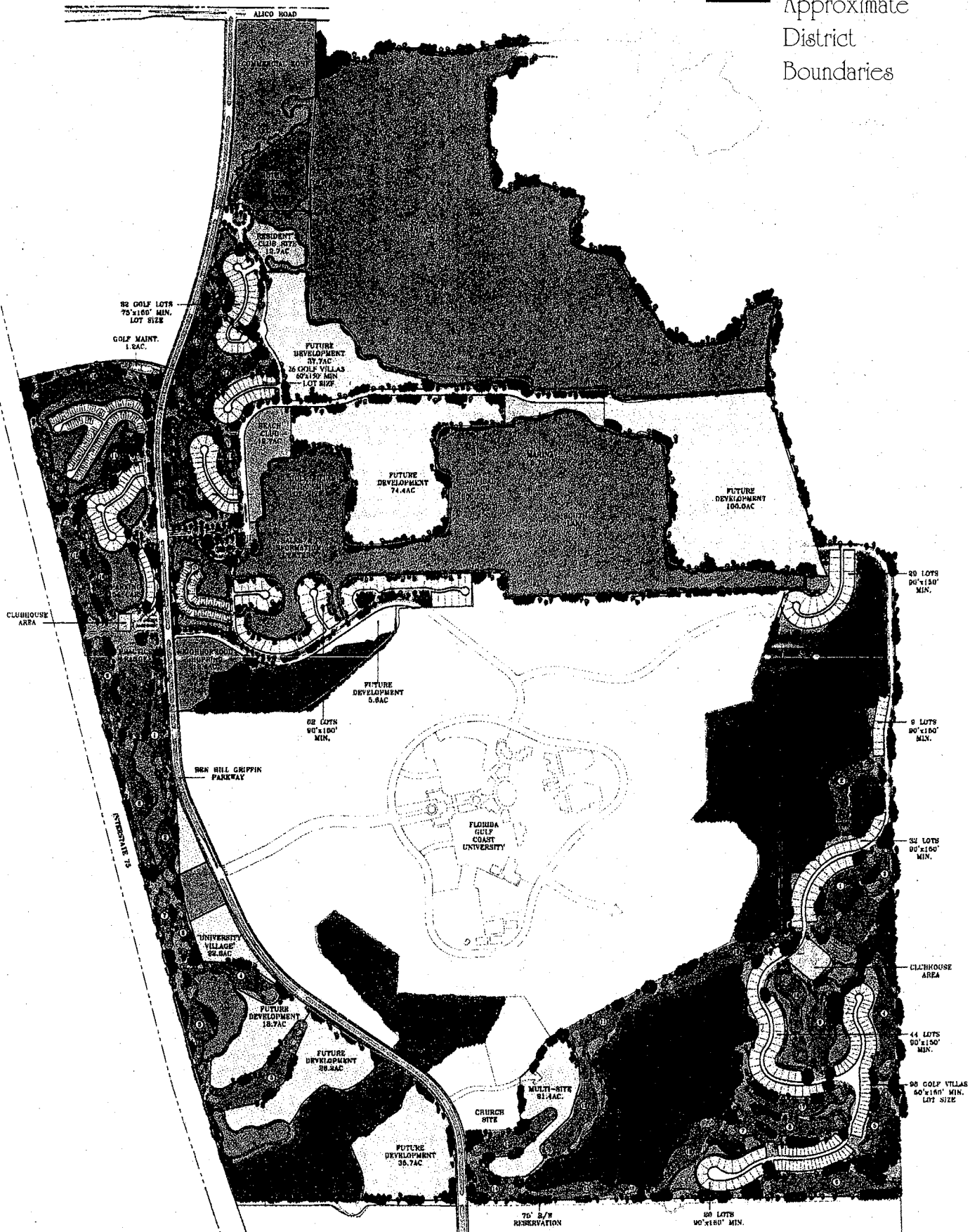
The District is located within the Estero River Drainage Basin with receiving body being the Estero River. This system then discharges to coastal basins to the West of US 41.

The District is adjacent to a major freeway and a major arterial roadway. Interstate 75 to the west and Alico Road to the north and bisected by Ben Hill Griffin Parkway. The District will have eight connections to Ben Hill Griffin Parkway.

The District is located within the franchise areas of Florida Power and Light and Sprint United Telephone of Florida. Cable service is available from Media One. These utilities are expected to provide electrical power, telephone service and cable television to the District.

All utilities are available to the property or will be during the development of the infrastructure.

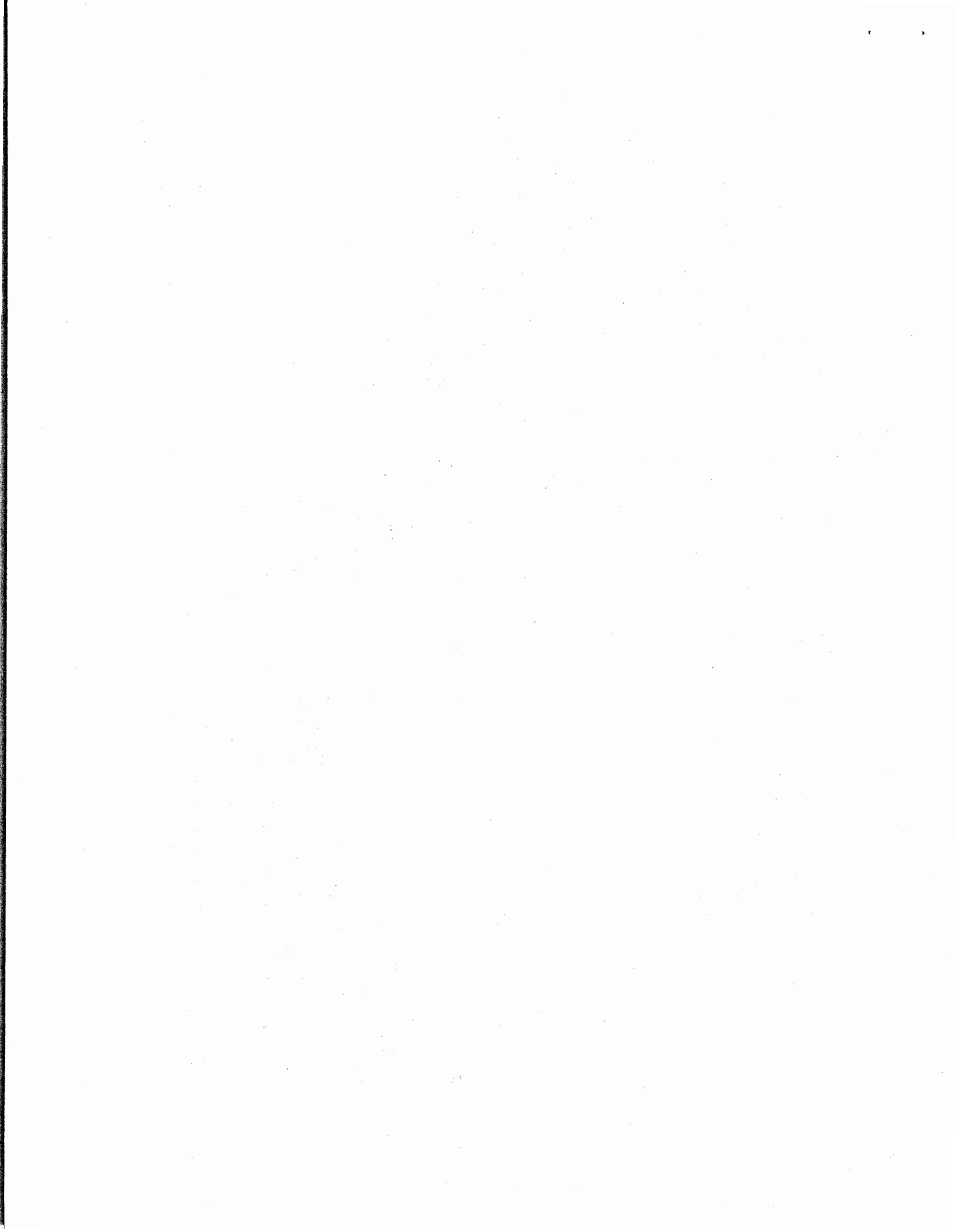
Approximate
District
Boundaries



BEACH & GOLF CLUB
MIROMAR LAKES MASTER PLAN

HEADSHAW GILL & ASSOCIATES
LANDSCAPE ARCHITECTURE & PLANNING
BAKER ENGINEERING, INC.
PROFESSIONAL ENGINEER, PLANNERS & LAND SURVEYORS
ARTHUR HILLS/STYVE FORREST & ASSOCIATES
GOLF COURSE ARCHITECTS

SCALE: 1" = 400'
AUGUST 26, 2000



SUPPLEMENTAL
ENGINEER'S REPORT
FOR THE
MIROMAR LAKES
COMMUNITY DEVELOPMENT DISTRICT
PHASE ONE

PREPARED FOR:

BOARD OF SUPERVISORS
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

ENGINEERS:

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FORT MYERS, FLORIDA 33912

FINANCIAL ADVISOR:

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NOVEMBER 2000

1. INTRODUCTION

This report supplements the original District Engineer's Report for the Miromar Lakes Community Development District by providing a description of the Phase One improvements. The original Engineer's Report includes a description and opinion of costs for the infrastructure necessary to complete the entire Miromar Lakes community. The following supplemental report describes the infrastructure and opinion of costs necessary to complete Phase One of the project.

2. THE PHASE ONE PROJECT

2.1 The location of Phase One is shown on Exhibit "A".

The infrastructure construction within Phase One began in August 2000. Phase One is described in the original Engineer's Report and will be funded by the District through a bond anticipation note.

Phase One will generally consist of the following:

- Off-Site Roadways
- Utilities
- Earthwork
- Water Management
- Landscaping and Irrigation
- Professional Fees
- Wetland Mitigation

A detailed description of contents of each infrastructure category is attached in this report.

2.2 The location of Phase One improvements is shown by the shaded areas on Exhibit "A". This represents the extent of work that will be completed as of December 2001. The unshaded area and hatched area represents the extent of the community development infrastructure to be completed between January 2002 and December 2006.

The Early Work Authorization for the construction of the golf course and water management system was approved in April 2000. Construction commenced in July 2000 and these improvements are 30% complete. Miromar Lakes Phase One was approved for construction in July 2000. Construction commenced immediately and the status of construction of these improvements is as follows: underground utilities are 40% complete and drainage improvements are 30% complete. Completion and acceptance of these facilities will be conveyed in a single phase.

2.3 OPINION OF COSTS

An opinion of costs in 2000 dollars for the Phase One project is given in Table 1. The figures are based on actual contract amounts with the infrastructure contractors for the work presently completed.

The total cost for the entire project is \$80,553,000.00. The Community Development District funded portion of this total is \$59,162,000.00, which represents 73.4% of the total cost. The District portion of the Phase One project is \$33,116,794.00, which represents 56% of the District Improvements.

It is my professional opinion that these costs are reasonable for the quality of work performed.

2.4 PERMITS

Permits for construction are required prior to the commencement of infrastructure improvements. These permits include the following:

- Local Zoning Approvals.
- Army Corps of Engineers Dredge & Fill Permit.
- South Florida Water Management District Surface Water and Water Use Permit.
- Environmental Protection Agency NPDES.
- Local Development Order by Lee County.
- Florida Department of Environmental Protection Water and Waste Water Construction Permits.

All approvals and permits have been obtained for the golf course construction and Phase One infrastructure.

The District Engineer will certify that all permits necessary to complete Phase One have either been obtained or in this expert opinion, will be obtained and that there is no reason to believe that the necessary permits cannot be obtained for the entire development.

TABLE 1

THE OPINION OF PROBABLE COST
FOR
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT
PHASE ONE

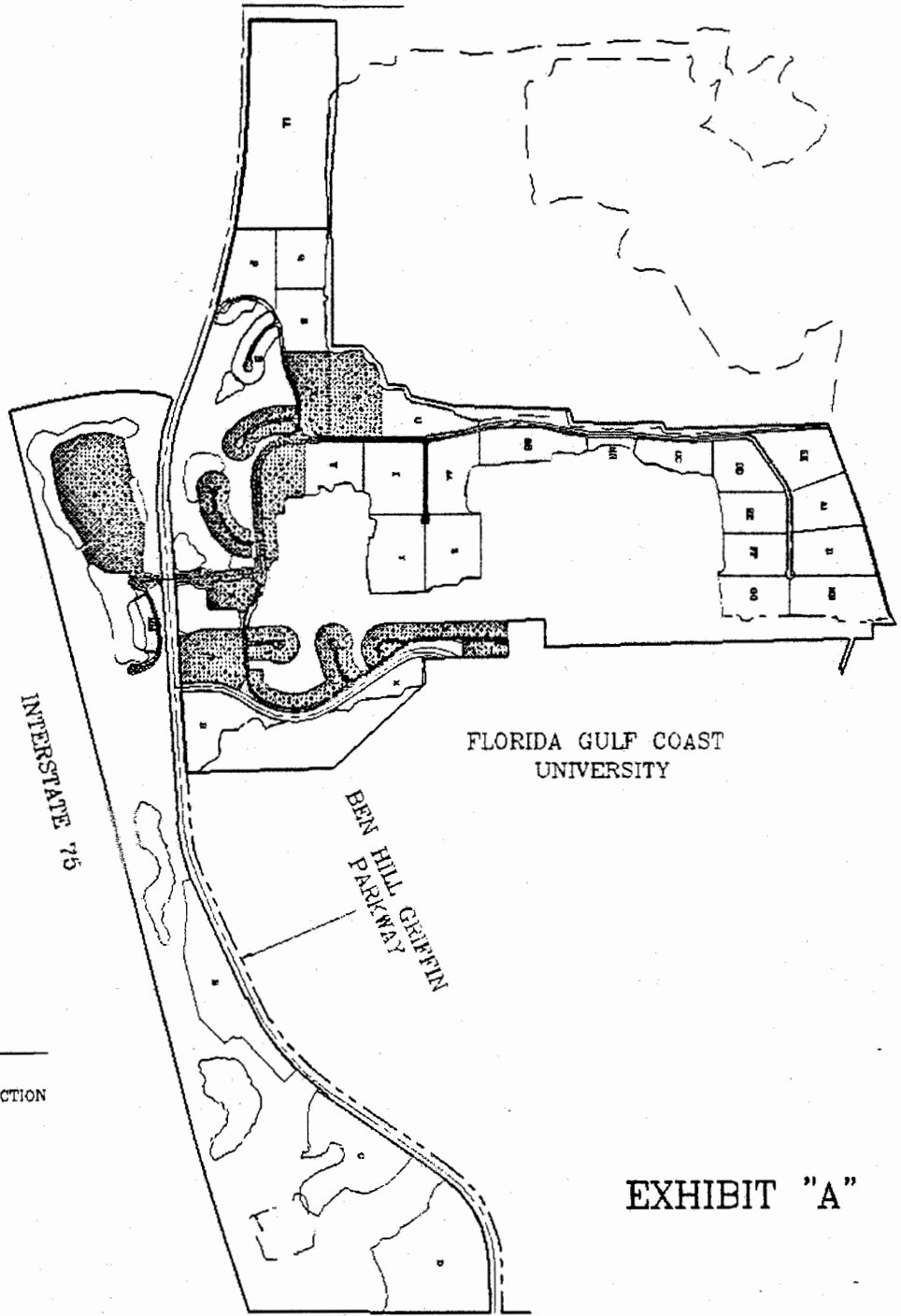
INFRASTRUCTURE	COSTS (PHASE ONE)
OFF-SITE ROADWAYS	\$4,440,197
WATER AND SEWER	\$1,423,699
EARTHWORK	\$8,116,551
WATER MANAGEMENT	\$1,835,342
WATER MANAGEMENT - LAND	\$5,672,400
LANDSCAPING & IRRIGATION	\$5,588,780
ELECTRIC SERVICE & LIGHTING	\$470,288
WETLAND MITIGATION	\$521,000
WETLAND MITIGATION - LAND	\$4,230,600
PROFESSIONAL FEES	\$817,937
TOTAL	\$33,116,794

NOTE: These amounts are represented in 2000 dollars.



0 2000 4000 6000
GRAPHIC SCALE 1" = 2000

ALICO ROAD



LEGEND



PHASE 1 CONSTRUCTION

EXHIBIT "A"

12	
11	
10	
9	
8	
7	
6	
5	
4	
3	
2	
1	
DATE	APPROVED

Weaks Engineering, Inc.
Professional Engineers, Planners & Land Surveyors
3120 BODLETTI-FRANK ROAD - SUITE 701 NAPLES, FLORIDA 34102
PH. (813)623-8888 FX. (813)623-8888
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PHONE: (941)838-5446 FAX: (941)838-2522

PHASE ONE - MIROMAR LAKES
LEE COUNTY, FLORIDA

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET	OF	FILE NO. (S-T-R)
1-6-2000	1150	_Ext-4	RSE	JPC	RSE	1" = 800'	1	1	

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APPENDIX C

**MASTER ASSESSMENT METHODOLOGY AND
SUPPLEMENTAL ASSESSMENT METHODOLOGY
PHASE 1 MIROMAR LAKES
COMMUNITY DEVELOPMENT DISTRICT**

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MASTER ASSESSMENT METHODOLOGY MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

September 19, 2000

Prepared for

**Board of Supervisors
Miromar Lakes Community Development District**

Prepared by

**Fishkind & Associates, Inc.
11869 High Tech Avenue
Orlando, Florida 32817
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**MASTER ASSESSMENT METHODOLOGY
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT**

September 19, 2000

1.0 Introduction

1.1 Purpose

This report provides a master methodology for allocating the debt incurred by the Miromar Lakes Community Development District to provide infrastructure improvements to properties in the District. It is the District's debt-funded infrastructure improvements that will allow the development of property in the District. By making development of property within the District possible, the District creates benefits to these properties. The methodology described here allocates the District's debt to properties based upon the benefits each receives from the infrastructure program. In this case the properties receiving benefit include 100% of the developable land that lies within the District. This report is designed to conform to the requirements of Chapters 190 and 170, F.S. with respect to special assessments and is consistent with our understanding of the case law on this subject.

This master methodology will be supplemented at the time the specific projects are under consideration for funding. A supplemental methodology, consistent with this master methodology, will be submitted to the Board for its review and approval.

1.2 Background

Lee County, Florida ("County") established the Miromar Lakes Community Development District ("Miromar Lakes", or "District") to provide infrastructure for portions of the Miromar Lakes development community. The current development program for Miromar Lakes comprises a master planned, fully amenitized, mixed-use project containing a maximum of 2,094 residential dwelling units (Single family, Villas and Multi-family) and approximately 600,000 square feet of commercial space. Table 1 below summarizes the development program.

**TABLE 1. MIROMAR LAKES
DEVELOPMENT PROGRAM**

<u>Real Estate Products</u>	<u>Acreage</u>
Residential	558.5
Commercial	82.5
Beach Club/Marina	12.7
Golf Course/Maintenance	150.5
Club House	5.4
Rights-Of-Way	15.2
Preserve & Passive Recreation	56.0
Lakes	<u>91.4</u>
Total	972.2

1.3 Requirements of a Valid Assessment Methodology

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

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

1.4 Special Benefits and General Benefits

Improvements undertaken by the District create both: (1) special benefits to properties within its borders and (2) general benefits to properties outside the District. However, as discussed below, these general benefits are incidental in nature and are readily distinguishable from the special benefits which accrue to property within the District. The infrastructure program of the District enables properties within its boundaries to be developed. Without the District's capital improvement program ("CIP") there would be no infrastructure to support development of land in the District. Furthermore, the PUD for Miromar Lakes requires many of these improvements. Without these improvements development of property in the District would be prohibited by law.

There is no doubt that the general public, and property owners outside the District, will benefit from the provision of District infrastructure. However, these are incidental to the District's infrastructure program, which is designed solely to meet the needs of property within the District. Properties outside the District do not depend upon the District's improvement program to obtain, or to maintain, their development entitlements. This fact alone clearly distinguishes the special benefits which District properties receive compared to those lying outside of the District's boundaries, which may be expanded from time to time.

1.5 Special Benefits Exceed the Costs Allocated to Pay for Them

In the case of Miromar Lakes the value of the special benefits provided by the District's improvement program is far greater than the costs associated with providing these same benefits. The District Engineer estimates that the District's capital improvement program, that is necessary to support full development of property within the District, will cost approximately \$63,123,000. The District's Financial Advisor projects that this will require a financing program of about \$81,900,000. The developer estimates that the gross sell out value of the land within the District will exceed \$190,000,000 after the improvements are put in place. The value of the land without improvements is approximately \$23,000,000. Therefore, the District's improvement program has increased the value of the land by approximately \$170,000,000, well in excess of the costs of the improvement program.

2.0 Assessment Methodology

2.1 Overview

As noted above, the District's Engineer estimates that it will cost \$63,123,000 to provide infrastructure to serve the District. Based on this cost estimate, the District's Financial Advisor (with assistance from the District's Underwriter) estimates that the District will need to issue approximately \$81,900,000 in bonds to provide a construction fund sufficient to pay for the infrastructure. Table 2 below provides the estimates for infrastructure costs and for the bonds necessary to fund these costs. The Financial Advisor estimates that the program will require two bond issues to fully fund its needs with bonds issued approximately every three years.

**TABLE 2. MIROMAR LAKES CDD
ESTIMATED INFRASTRUCTURE COSTS AND FINANCING**

	Series 2000	Series 2003	Series 2005	Total
Construction cost	\$37,078,300	\$9,163,200	\$16,882,000	\$63,123,500
Bond financed amount	\$47,960,000	\$12,000,000	\$21,945,000	\$81,905,000

The financial plan provided here envisions that the District will impose special assessments on all developable acres within its boundaries that benefit from the CIP funded through the District's bonds. These special assessments will be levied in sufficient amounts to fund interest and principal payments then coming due.

At this time none of the land in the District is subdivided or platted. Thus, the ultimate land uses are unknown. Although the Developer has provided the District with a land use plan, and the PUD provides further guidance concerning the permitted volume and types of land uses expected in Miromar Lakes, these plans are subject to change based on market conditions. Therefore, the District's debt will be initially allocated to all developable acres in the District on an equal acreage basis.

The landowner's master development plan for Miromar Lakes identifies particular land uses throughout the District. The District has relied upon the landowner's land use plan to develop the District's capital improvement program (CIP). The CIP is financed with the proceeds of the District's notes and bond issues, as and when issued.

As actual development and platting occurs, the precise land use for each platted parcel will be determined. At that time a more precise allocation of debt to the platted parcels can be accomplished. Each land use generates a particular

volume of trips on District roads, which must be accommodated. Without the District's investment in roadways the various land uses desired by the owner could not be platted because of a lack of infrastructure. Similarly, each land use requires drainage and other non-roadway facilities, which may also be provided by the District. The cost of these facilities is allocated to the various platted properties based on the amount of benefit that each receives. It is the District's CIP which provides the availability of infrastructure to accommodate the land uses planned by the owner. Therefore, all developable land within the District will benefit from the District's CIP.

It is possible that the District may not finance all of the infrastructure outlined in the CIP, and that the landowner may decide to fund some of the improvements from its own capital. If this should happen, the District will issue less debt than outlined above. In addition, in this event the total assessments would be lower than outlined herein.

The methodology for allocating debt as properties within the District are platted is outlined below. The numerical examples provided are based upon the developer's current land use plans. As these change over time, the allocations to individual parcels also change.

However, there is one important proviso. The debt per acre on the land that remains unplatted is not allowed to increase above its initial level. This requirement will be tested at four intervals based upon the percentage of developable acres that are developed and the percentage of residential units (whichever may come first). The intervals are at 25%, 50%, 75% and 100% of development (developable acres and or number of residential units). The test works as follows. If the initial debt level is \$100 per acre, the plat presented to the District at each of the intervals outlined above must demonstrate that the debt on the land remaining after the plat is at or below \$100 per acre. If not, then to approve the plat the District will require a density reduction payment so that the \$100 per acre debt level is not exceeded.

Thus, the debt allocation methodology provided below is really a process by which the District can allocate debt to particular parcels of land at the time of platting. The procedures also assure that the debt will not build up on the unplatted properties creating potential assessment problems in the future. As a result, the assessment levels cannot be fixed and determined until final platting occurs.

2.2 Land Use Program

Table 1, as shown above, outlines the expected land use program for the land comprising the District. The land uses include residential, commercial, a beach club, and golf course. Of the District's total of 972.2 acres approximately 825 are developable.

2.3 Bond Sizing

As noted above Miromar Lakes CDD anticipates total borrowing of \$81,905,000. The estimated components for the financing are outlined below.

**TABLE 3. MIROMAR LAKES CDD
BOND FINANCING PROGRAM SUMMARY**

<u>Debt Financing</u>	<u>Bonds</u>
Construction Fund	\$63,123,500
Debt Service Reserve Fund	\$8,190,500
Capitalized Interest Fund	\$8,907,169
Cost of Issuance	\$1,678,575
Total Par Bonds	\$81,905,000
Financing Contingency	\$18,095,000
Total Bonds for Validation	\$100,000,000

The estimated construction cost is for the entire CIP as identified by the District Engineer. The debt service reserve account is set initially at the lesser of maximum annual debt service, 10% of the proceeds of the bonds, or 125% of average annual debt service. The bond sizing includes 26 months of capitalized interest. This allows for the lag between when improvements are under construction and when they are completed and generating benefits.

Under the cost of issuance we estimated the underwriter's discount at 2%, the prevailing market rate. This allowance pays the underwriter for taking the risks involved in purchasing the District's bonds. The balance of the cost of issuance pays for the trustee, financial advisor, district counsel and other costs associated with issuing the District's bonds.

As noted above, the District Engineer estimates that the CIP to serve the District will cost \$63,123,000. To fund the CIP the Financial Advisor estimates that \$81,905,000 of bonds and/or notes will be necessary. However, the Miromar Lakes development will take at least six years to fully develop and construct. In light of the inherent risks involved in making long term forecasts for construction costs, financing contingencies and the like, it is prudent and necessary for the District to validate sufficient borrowing capacity to meet all of its future needs under all reasonable future economic conditions. Using an approximate 25% contingency factor for cost escalation, inflation and other unanticipated costs; it is the Financial Advisor's opinion that the District should validate approximately \$100,000,000 in borrowing capacity. In this way the District's future needs can be met prudently. However, the total par amount of debt shown in Table 3 will be used for allocation purposes.

2.4 Allocation to Benefiting Properties – The Master Methodology

The discussion offered below illustrates the process by which the Miromar Lakes CDD will allocate debt incurred to support its CIP. As described above, until such time as plats are recorded, the specific land uses in the District are indeterminable. Therefore, at the outset, the District's debt will be allocated on an acreage basis across all benefited acres in the District. As platting occurs, the District will more finely articulate the allocation of debt to benefiting properties

As noted above, as long as two basic principles are adhered to, Florida law allows the District Board great latitude in determining the appropriate methodology to allocate the costs of its CIP to benefiting properties in the District. The two principals are: (1) the properties being assessed must receive a special benefit from the CIP and (2) the assessments allocated to each property must be fairly and reasonably apportioned among the benefiting properties. In allocating special assessment costs to benefiting property Florida governments have used a variety of methods including, but not limited to, front footage, area, trip rates, equivalent residential units, dwelling units, acreage, and value.

The Miromar Lakes Community Development District is similar in many ways to other Florida community development districts in that the CIP anticipates constructing both infrastructure and amenities. Based upon the District Engineer's cost estimates, and his analysis of the physical properties of the project and its CIP, we have categorized the benefits flowing from the CIP in Table 4. The infrastructure improvements benefit all developable properties in the District. We have identified four general classes of infrastructure serving all properties in the District.

First, roadways and related items, such as street lights and landscaping, are designed to accommodate the estimated traffic generated by the land use program for the development. The roadways that are internal to the District are private

roads that will be constructed by the developer, not the District. However, the District will be funding offsite roadway improvements, or making payments for their development pursuant to the Development Order for the Miromar Lakes project. It is reasonable to allocate the costs for this class of infrastructure on the basis of trips generated by each land use. Trip generation rates for each type of land use are available from the Institute of Traffic Engineers¹ and were used here. There are two modifications, the beach club/marina and the commercial. The beach club/marina is designed to serve primarily residents of the District. As a result, the District Engineer has determined that the internal capture of the beach club/marina is 75%. Therefore, the trip rate for the facility is discounted by 75%. In addition, the commercial development will serve the both District residents and nonresidents. The District Engineer has determined that the commercial facility will have an internal capture of 10%.

The second major infrastructure system is the stormwater management system. It provides benefits to every acre of developable land that is served by the system. The stormwater management system consists of wet detention ponds to capture and treat stormwater runoff from the developed areas and control structures that regulate the volume of water detained. The degree of benefit depends upon the volume of runoff from each land use. The greater the impervious surface area, the more runoff generated per acre. Therefore, the percentage of runoff varies by land uses. This is quantified as a runoff coefficient.

The District Engineer has estimated the runoff coefficient for each type of land use expected in the District. The acreage for each land use is adjusted, or weighted, by its runoff coefficient to determine the adjusted acreage (adjusted for runoff). The adjusted acreage is used to allocate the costs of the drainage and stormwater system to every benefiting acre in the District.

The third significant infrastructure systems provided by the District are the water and waste water utility services. The benefits related to the lift stations, sewer collection lines, water lines, and water mains flow to every residential unit (or its equivalent) equally. In fact, these systems were sized according to the estimated number of residential units, or their equivalents. Therefore, it is reasonable to allocate these costs on a per unit basis.

Finally, the District's recreational facilities were designed to meet the needs of the District's residents and landowners. Therefore, it is reasonable to allocate these costs on a per unit basis.

TABLE 4. CATEGORIES OF BENEFITS FROM THE DISTRICT'S CIP

INFRASTRUCTURE	ALLOCATION METHOD
----------------	-------------------

¹ Institute of Transportation Engineers (1997) Trip Generation (6th Edition), Wahsington, D.C.

General Infrastructure	Benefiting all properties
Offsite roadways and related items	Trip generation
Stormwater management	Adjusted Acreage
Utilities	Unit
Recreational amenities	Unit

Table 5 provides a complete outline of the estimated costs for all categories of infrastructure included in the CIP. Two columns of costs are shown. The first is the District Engineer's construction cost estimate for each element in the CIP and the other is the Financial Advisor's estimate of those same costs on an as financed basis. It is the total cost, on an as financed basis, that must be allocated to all benefiting properties in the District.

TABLE 5. COST ESTIMATES BY TYPE OF INFRASTRUCTURE

Infrastructure elements	Construction	Total
Infrastructure benefiting all parcels		
Offsite roadways and related items	\$19,890,591	\$25,837,356
Stormwater management	\$35,511,222	\$46,049,582
Utilities	\$5,570,196	\$7,233,400
Recreation/safety amenities	\$2,151,490	\$2,784,662
Total	\$63,123,500	\$81,905,000

2.5 Debt Allocation

Table 6 outlines the allocation of the costs to properties in the District for roadways and related services. As noted above in Table 5, the cost to the District for the roadways and related facilities is \$25,837,356. These costs are allocated based upon the estimated volume of trips that each land use generates on the District's roadway.

TABLE 6. COST ALLOCATION TO BENEFITING PROPERTIES FOR ROADWAYS AND RELATED IMPROVEMENTS

Product Type	Trip Rate	Units	Total Trips	% Trips	Allocation	Per
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Single family	9.57	176	1,684	6.91%	\$1,784,873	\$1
Villas	5.86	183	1,072	4.40%	\$1,136,401	\$
Multi family	6.63	1,734	11,496	47.15%	\$12,182,751	\$
Beach Club/Marina	37.00	5	37	0.15%	\$39,209	\$
Golf Course/Club House	35.74	10	357	1.47%	\$378,737	\$3
Commercial	42.92	252	9,734	39.92%	\$10,315,386	\$4
TOTALS		2,360	24,382	100.00%	\$25,837,356	

Table 7 displays the allocation of costs for the District's stormwater management system. As discussed above, the benefits derived from the District's stormwater system relate to the system's capacity to accommodate and to treat stormwater runoff from each parcel of developable property in the District. The runoff is a function of the development density and the runoff coefficient specific to each land use expected in the District. This is the product of the lot size and the runoff coefficient specific to that land use.

TABLE 7. COST ALLOCATION TO BENEFITING PROPERTIES FOR THE STORMWATER MANAGEMENT SYSTEM

Product Type	Units	Area (acres)	Runoff Coeff.	Total	% Area	Stormwater	Per Unit
Single family	176	0.29	0.70	35.35	7.81%	\$3,596,155	\$20,433
Villas	183	0.24	0.70	31.25	6.90%	\$3,178,306	\$17,368
Multi family	1,734	0.22	0.75	279.89	61.83%	\$28,470,777	\$16,419
Beach Club/Marina	5	0.17	0.80	0.69	0.15%	\$70,055	\$14,011
Golf Course/Club House	10	15.60	0.25	39.00	8.61%	\$3,967,073	\$396,707
Commercial	252	0.33	0.80	66.53	14.70%	\$6,767,216	\$26,854
TOTALS	2,360			452.71	100.00%	\$46,049,582	

The benefits from the District's amenities and from its utilities systems are measured most equitably on the basis of equivalent residential units (ERU). The standard for an ERU is the single-family homes on the largest lot. Generally speaking the larger the home, the more bathrooms and bedrooms it tends to have. This places more demand on the District's utility systems than would a smaller home with fewer bedrooms and bathrooms. Similarly, the larger the home the

more residents tend to live there. It is these residents who utilize the District's amenities. The beach club/marina is assigned ERUs based on a percentage of its acreage. The golf course is assigned ERUs based upon the size of its clubhouse and ancillary buildings. Commercial ERUs are calculated on the basis of one ERU for every 1,000 square feet of commercial area.

TABLE 8. COST ALLOCATION TO BENEFITING PROPERTIES FOR AMENITIES AND UTILITIES

Product Type	Units/sq ft	ERU/Unit	ERUs	% ERU	Allocation	Per Unit
Single family	176	1.00	176	9.28%	\$929,432	\$5,281
Villas	183	0.85	156	8.20%	\$821,438	\$4,489
Multi family	1,734	0.75	1,301	68.55%	\$6,867,763	\$3,961
Beach Club/Marina	5	0.60	3	0.16%	\$15,843	\$3,169
Golf Course/Club House	10	1.00	10	0.53%	\$52,809	\$5,281
Commercial	252	1.00	252	13.28%	\$1,330,778	\$5,281
TOTAL			1,897	100.00%	\$10,018,062	

Finally, Table 9 brings all these allocated costs together by type of land use and by type of infrastructure. Here all of the estimated \$81,905,000 of debt is allocated to all of the expected development in the District. Each type of infrastructure is allocated to the various types of land development according to the benefits that each receives from the various types of infrastructure facilities and services funded by the District. Table 9 also includes an estimate of the total debt per unit, where applicable, for the various real estate products planned for the District.

TABLE 9. ALLOCATION OF ALL COSTS TO BENEFITING PROPERTY IN THE MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

Total Par Debt	Total	Units	Debt/unit
Single family	\$6,289,772	176	\$35,737
Villas	\$5,122,973	183	\$27,994
Multi family	\$47,380,082	1,734	\$27,324
Beach Club/Marina	\$124,652	5	\$24,930
Golf Course/Club House	\$4,693,705	10	\$469,371
Commercial	\$18,293,815	252	\$72,595
TOTALS	\$81,905,000		

2.6 True Up Mechanism

Although the District does not process plats or distribute new tax identification numbers when subdivisions are made, it does have an important role to play during the course of platting. Whenever a subdivision is processed, the District must allocate a portion of its debt to the newly subdivided property according to the methodology outlined above. In addition, the District must also prevent any buildup of debt on land not yet subdivided. Otherwise, the land could be fully subdivided without all of the debt being allocated.

To preclude this, a test is conducted at the platting thresholds of 25%, 50%, 75% and 100%. The stage of development depends on the percentage of residential units or the percentage of developable land, whichever comes first. Table 11 displays the timing for these tests. For example, the 25% test occurs when the landowner presents a plat to the District that involves the earlier of the 590th unit or the 160th developable acre. Table 10 outlines the thresholds.

Table 10. Stage of Development for True Up Test and Debt Ceiling Amounts

Development stage	0%	25%	50%	75%	100%
Acreage undeveloped	693	520	346	173	0
Acreage developed	0	173	346	520	693
Total debt per developable acre	\$127,777	\$127,777	\$127,777	\$127,777	\$127,777
Total units undeveloped	2,360	1,287	858	429	0
Total units developed	0	590	1,180	1,770	2,360

At the time of the tests the District will determine the debt per acre that remains on the undivided land, taking into account the proposed plat. As long as the plat does not cause the debt on the remaining land to increase above its initial level then no further action is necessary. However, if the plat does cause the debt on the remaining land to increase, then a debt reduction payment will be necessary. The following examples illustrate this point.

Current plans for the District provide for total debt of \$81,905,000. This amounts to approximately \$127,777 per acre on the District's developable acreage of approximately 693 acres. Whenever a new tax identification number is assigned for the subdivided property, the District will assign a portion of the debt to it based upon the methodology outlined above. In addition, the District will calculate the debt per remaining acre of land. If at the time of the four tests this calculation results in a debt per remaining acre of \$127,777 or less (the ceiling amounts), then no further action need be taken. However, if the result is a number higher than this ceiling, the developer must make a debt reduction payment sufficient to bring the debt per remaining acre down to the ceiling amount.

2.7 Tax Roll

As described above, the debt associated with the District's CIP will be initially distributed evenly across the benefiting acreage in the District. At this time the location of the developable acres is not known with precision. Furthermore, the tax identification numbers associated with the land in the District also includes some land outside the District. That is to say, some tax identification numbers include land that is within the District and land that lies outside the District's boundaries. As platting occurs this situation will be resolved, and it is typical of the initial situation in many districts. However, the tax roll shown below covers 100% of the land in the District.

TABLE 11. MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT TAX ROLL

Tax ID Numbers	Acres	Debt	Annual Payment	Administrative Charges	Annual Payment
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SUPPLEMENTAL ASSESSMENT METHODOLOGY PHASE 1 MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

November 10, 2000

Prepared for

**Board of Supervisors
Miromar Lakes Community Development District**

Prepared by

**Fishkind & Associates, Inc.
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Orlando, Florida 32817
407-382-3256
Fishkind.Com**

**SUPPLEMENTAL ASSESSMENT METHODOLOGY PHASE 1
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT**

November 10, 2000

1.0 Introduction

1.1 Purpose

This report supplements the Master Assessment Methodology dated October 26, 2000 and approved by the Board. The purpose of this supplement is to describe how the master methodology is applied in the case of the Series 2000 Bonds.

1.2 Overview of the Master Assessment Methodology

The Board of Supervisors of the Miromar Lakes Community Development District (District) has approved a capital improvement program (CIP) necessary to provide for the full development of the Miromar Lakes project. The District Engineer's Report dated October 23, 2000 provides the cost estimates for the CIP which will be constructed in three phases. The District Engineer's November 2000 Supplemental Report has reaffirmed the total cost estimate for the CIP of \$63,123,000.

The Master Assessment Methodology divides all of the capital improvements into three categories. First, the costs for offsite roadways and related items are allocated based on trip generations estimated for each land use in the District. Second, costs for the stormwater system are distributed on the basis of the volume of runoff generated by each land use. Finally, utility costs are divided on the basis of equivalent residential units.

As noted above, the CIP will be developed in three phases. However, each phase is part of the overall master program of improvements. The master methodology recognizes that each phase is part of the system benefiting all properties in the District. Therefore, the costs for the entire system are spread among all developable property in the District on an equal pro rata basis. In this way all properties in the District share in the costs for all of the improvements on the basis that each receives from the system of improvements. This is independent of when each property is fully developed and when each specific component of the CIP is constructed.

Table 1 contains the allocation of the costs for the CIP to all benefiting properties in the District. The total debt allocation of \$81,905,000 will generate a construction fund of \$63,123,000 that the District Engineer has estimated is needed for the project. The debt/unit column displays the allocations that the District will assign to the various types of land uses as each plat is processed.

Table 1. Master Capital Allocation

Total Par Debt	Total	Units	Debt/unit
Single family	\$6,282,982	176	\$35,699
Villas	\$5,093,762	183	\$27,835
Multi family	\$47,283,594	1,734	\$27,269
Beach Club/Marina	\$125,029	5	\$25,006
Golf Course/Club House	\$4,421,562	10	\$442,156
Commercial	\$18,698,070	252	\$74,199
TOTALS	\$81,905,000		

2.0 Series 2000 Project and Financing

2.1 District Engineer's Cost Estimate

The District Engineer's Report dated November 2000 estimates that the cost for the Phase 1 improvements will be \$33,116,794. This is almost \$4,000,000 less than the Engineer's estimate contained in the master CIP. However, the District Engineer also opines that "The Community Development District funded portion of this total [the total for the CIP through buildout] is \$63,123,000." Thus, the cost for Phase 1 is lower, but the total cost for the CIP has not changed. Obviously, this implies that future costs are now expected to be higher than before, or some components of what was the original Phase 1 project are delayed until future phases.

2.2 Project Financing

In Table 2 the Financial Advisor has estimated the size of the bond issue necessary to generate the construction fund for the Series 2000 Project. The bond estimate is \$42,245,000.

Table 2. Estimated Financing Series 2000 Bonds

Category	Series 2000
Construction Fund	\$33,116,794
Debt Service Reserve Fund	\$4,224,500
Capitalized Interest Fund	\$4,752,563
Cost of Issuance	\$150,000
Rounding	\$1,144
Total Par Bonds	\$42,245,000

2.3 Allocation of Debt

According to the master methodology the Series 2000 debt will be allocated to all property in the District on an equal acreage basis. As each plat is processed, more specific assignments of debt will be made according to the land uses shown in the plat. As discussed above, each land use requires particular infrastructure services provided through the District's CIP. Each type of land use derives specific benefits from these improvements. The value of these benefits is shown above in Table 1. Thus, for example if the first plat contains one single-family home, it will be allocated \$35,699 in District debt.

2.4 True Up Mechanism

As per the master methodology approved by the Board, the District will also conduct the true up tests at the allotted intervals of 25%, 50%, and 75% development. Table 3 summarizes the true up test from the master methodology. At the test interval the debt per acre on the undeveloped land must not exceed \$127,777. Otherwise, a debt reduction payment will be required to assure that debt is not building up on the undeveloped land in the District.

Table 3. True Up Test

Development stage	0%	25%	50%	75%	100%
Acreage undeveloped	641	520	347	173	0
Acreage developed	0	173	347	520	693
Total debt per developable acre	\$127,777	\$127,777	\$127,777	\$127,777	\$127,777
Total units undeveloped	2,360	590	1,180	1,770	2,360
Total units developed	0	1,770	1,180	590	0

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SUPPLEMENTAL ASSESSMENT METHODOLOGY PHASE 1 MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

Revised November 21, 2000

Prepared for

**Board of Supervisors
Miromar Lakes Community Development District**

Prepared by

**Fishkind & Associates, Inc.
11869 High Tech Avenue
Orlando, Florida 32817
407-382-3256
Fishkind.Com**

Table 2. Estimated Financing Series 2000 Bonds

Category	Series 2000
Construction Fund	\$33,116,794
Debt Service Reserve Fund	\$4,286,000
Capitalized Interest Fund	\$4,661,025
Cost of Issuance	\$150,000
Underwriter's Discount	\$642,900
Rounding	\$3,281
Total Par Bonds	\$42,860,000

2.3 Allocation of Debt

According to the master methodology the Series 2000 debt will be allocated to all property in the District on an equal acreage basis. As each plat is processed, more specific assignments of debt will be made according to the land uses shown in the plat. As discussed above, each land use requires particular infrastructure services provided through the District's CIP. Each type of land use derives specific benefits from these improvements. The value of these benefits is shown above in Table 1. Thus, for example if the first plat contains one single-family home, it will be allocated \$33,229 in District debt.

2.4 True Up Mechanism

As per the master methodology approved by the Board, the District will also conduct the true up tests at the allotted intervals of 25%, 50%, and 75% development. Table 3 summarizes the true up test from the master methodology. At the test interval the debt per acre on the undeveloped land must not exceed \$119,821. Otherwise, a debt reduction payment will be required to assure that debt is not building up on the undeveloped land in the District.

SUPPLEMENTAL ASSESSMENT METHODOLOGY PHASE 1 MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

Revised November 21, 2000

Prepared for

**Board of Supervisors
Miromar Lakes Community Development District**

Prepared by

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**SUPPLEMENTAL ASSESSMENT METHODOLOGY PHASE 1
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT**

November 21, 2000

1.0 Introduction

1.1 Purpose

This report supplements the Master Assessment Methodology dated October 26, 2000 and approved by the Board. The purpose of this supplement is to describe how the master methodology is applied in the case of the Series 2000 Bonds.

1.2 Overview of the Master Assessment Methodology

The Board of Supervisors of the Miromar Lakes Community Development District (District) has approved a capital improvement program (CIP) necessary to provide for the full development of the Miromar Lakes project. The District Engineer's Report dated October 23, 2000 provides the cost estimates for the CIP which will be constructed in three phases. The District Engineer's November 2000 Supplemental Report has revised the total cost estimate for the CIP of to \$59,162,000 based on reduced costs for Phase 1 of the CIP.

The Master Assessment Methodology divides all of the capital improvements into three categories. First, the costs for offsite roadways and related items are allocated based on trip generations estimated for each land use in the District. Second, costs for the stormwater system are distributed on the basis of the volume of runoff generated by each land use. Finally, utility costs are divided on the basis of equivalent residential units.

As noted above, the CIP will be developed in three phases. However, each phase is part of the overall master program of improvements. The master methodology recognizes that each phase is part of the system benefiting all properties in the District. Therefore, the costs for the entire system are spread among all developable property in the District on an equal pro rata basis. In this way all properties in the District share in the costs for all of the improvements on the basis that each receives from the system of improvements. This is independent of when each property is fully developed and when each specific component of the CIP is constructed.

Table 1 contains the allocation of the costs for the CIP to all benefiting properties in the District. The total debt allocation of \$76,805,000 will generate a construction fund of \$59,162,000 that the District Engineer has estimated is needed for the project. The debt/unit column displays the allocations that the District will assign to the various types of land uses as each plat is processed.

Table 1. Master Capital Allocation

Total Par Debt	Total	Units	Debt/unit
Single family	\$5,848,217	176	\$33,229
Villas	\$4,714,167	183	\$25,760
Multi family	\$43,991,999	1,734	\$25,370
Beach Club/Marina	\$117,112	5	\$23,422
Golf Course/Club House	\$4,216,229	10	\$421,623
Commercial	\$17,917,275	252	\$71,100
TOTALS	\$76,805,000		

2.0 Series 2000 Project and Financing

2.1 District Engineer's Cost Estimate

The District Engineer's Report dated November 2000 estimates that the cost for the Phase 1 improvements will be \$33,116,794. This is almost \$4,000,000 less than the Engineer's estimate contained in the master CIP. The District Engineer also opines that "The Community Development District funded portion of this total [the total for the CIP through buildout] is \$59,162,000." Thus, the cost for Phase 1 is lower, and the total cost for the CIP also changed proportionately. Future costs continue to be projected as they were initially.

2.2 Project Financing

In Table 2 the Financial Advisor has estimated the size of the bond issue necessary to generate the construction fund for the Series 2000 Project. The bond estimate is \$42,860,000.

Table 2. Estimated Financing Series 2000 Bonds

Category	Series 2000
Construction Fund	\$33,116,794
Debt Service Reserve Fund	\$4,286,000
Capitalized Interest Fund	\$4,661,025
Cost of Issuance	\$150,000
Underwriter's Discount	\$642,900
Rounding	\$3,281
Total Par Bonds	\$42,860,000

2.3 Allocation of Debt

According to the master methodology the Series 2000 debt will be allocated to all property in the District on an equal acreage basis. As each plat is processed, more specific assignments of debt will be made according to the land uses shown in the plat. As discussed above, each land use requires particular infrastructure services provided through the District's CIP. Each type of land use derives specific benefits from these improvements. The value of these benefits is shown above in Table 1. Thus, for example if the first plat contains one single-family home, it will be allocated \$33,229 in District debt.

2.4 True Up Mechanism

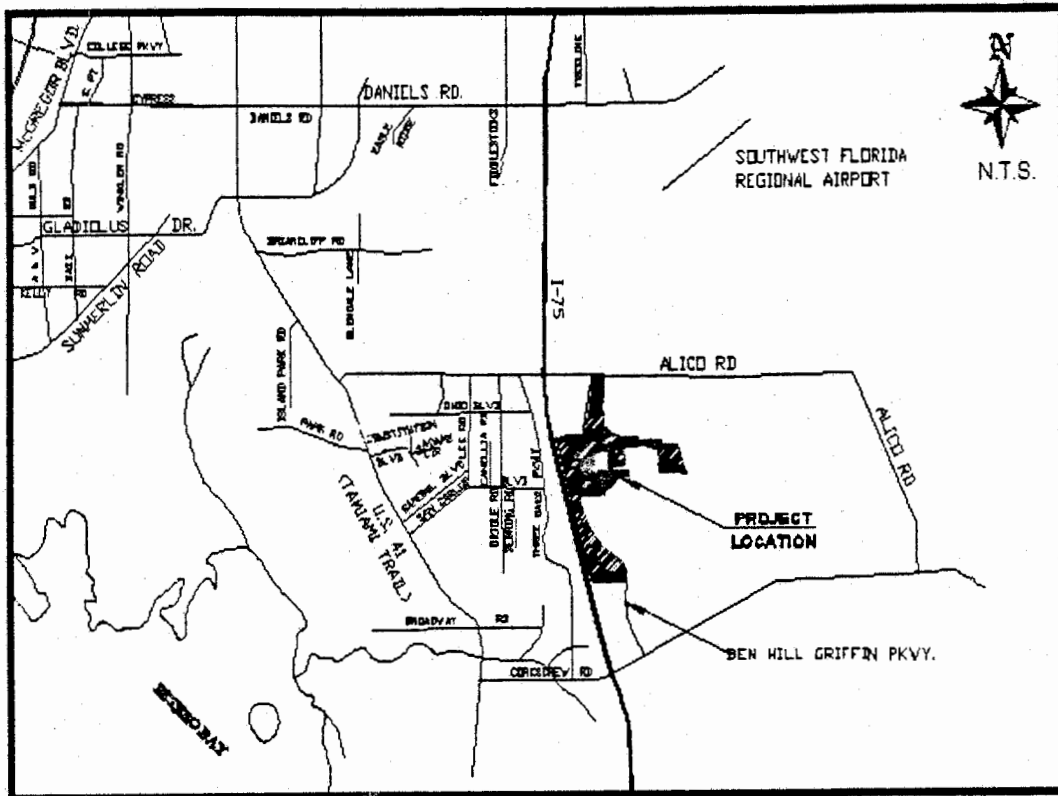
As per the master methodology approved by the Board, the District will also conduct the true up tests at the allotted intervals of 25%, 50%, and 75% development. Table 3 summarizes the true up test from the master methodology. At the test interval the debt per acre on the undeveloped land must not exceed \$119,821. Otherwise, a debt reduction payment will be required to assure that debt is not building up on the undeveloped land in the District.

Table 3. True Up Test

Development stage	0%	25%	50%	75%	100%
Acreage undeveloped	641	520	347	173	0
Acreage developed	0	173	347	520	693
Total debt per developable acre	\$119,821	\$119,821	\$119,821	\$119,821	\$119,821
Total units undeveloped	2,360	590	1,180	1,770	2,360
Total units developed	0	1,770	1,180	590	0

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SITE LOCATION MAP



SECTIONS 10, 11, 12, 13, 14, 15 & 23, TOWNSHIP 46 SOUTH,
RANGE 25 EAST, LEE COUNTY, FLORIDA

MIROMAR LAKES

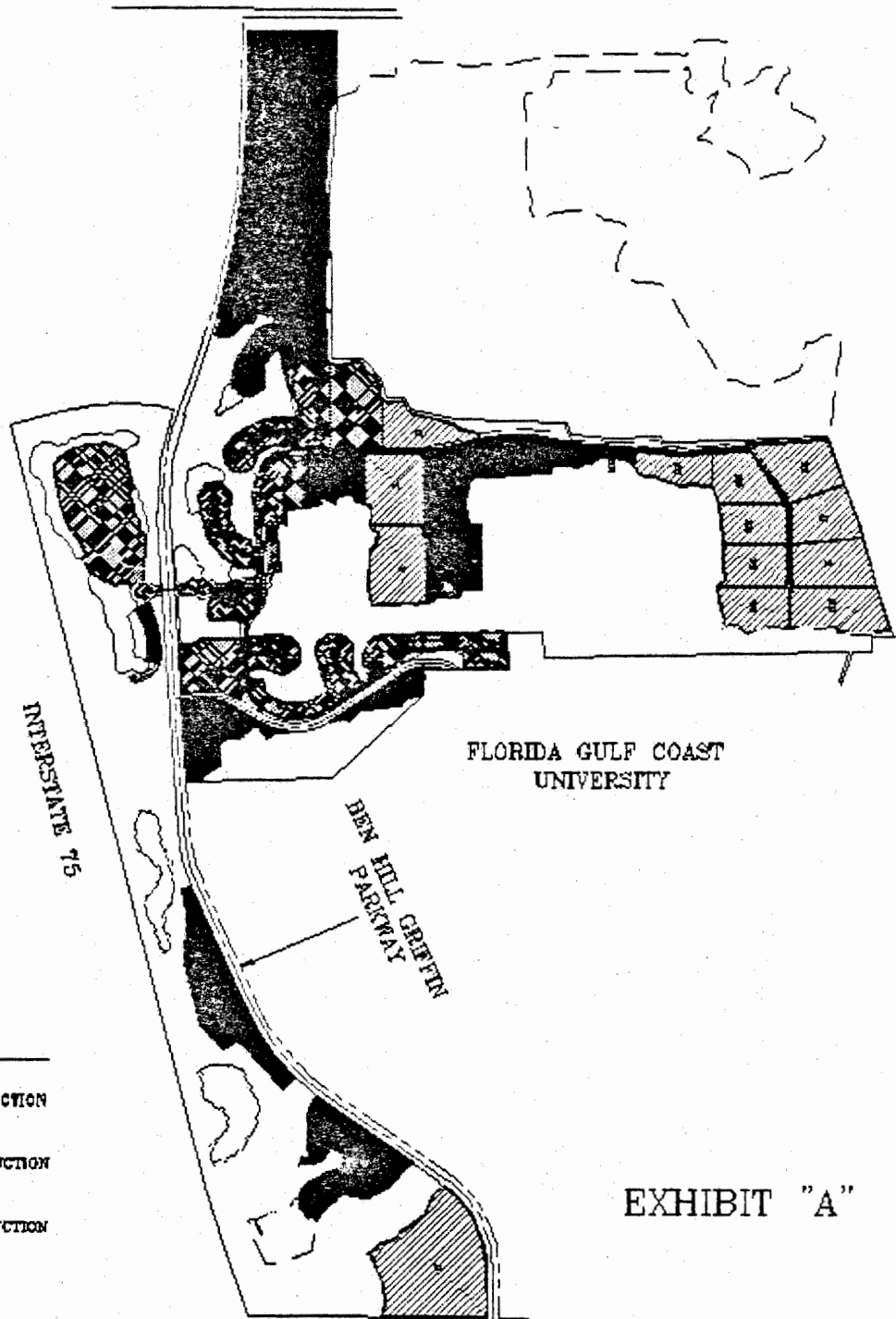
PROJECT LOCATION MAP

EXHIBIT A



0 2000 4000 6000
GRAPHIC SCALE 1" = 2000'

ALICO ROAD






INTERSTATE 75

FLORIDA GULF COAST
UNIVERSITY

BEN HILL GRIFFIN
PARKWAY

EXHIBIT "A"

LEGEND

-  PHASE 1 CONSTRUCTION
-  PHASE 2 CONSTRUCTION
-  PHASE 3 CONSTRUCTION

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Wanks Engineering, Inc.
Professional Engineers, Planners & Land Surveyors
2200 UNIVERSITY PARK ROAD - SUITE 703 NAPLES, FLORIDA 34102
TEL: 941-487-1888 FAX: 941-487-3344
11000 SIX MILE CYPRESS SWAMPWAY - SUITE 104 SUIT 100A, FLORIDA 33916
PHONE: (941) 388-4444 FAX: (941) 388-4444

		MIROMAR LAKES			
		LEE COUNTY, FLORIDA			
DATE	PROJECT	DRAWING	DESIGN	SCALE	SHEET OF
1-1-2000	1122	123-1	200	1"= 200'	1 1

3. PROPOSED DISTRICT INFRASTRUCTURE

3.1 Summary of the Proposed District Infrastructure

The District infrastructure will generally consist of the following:

- Off-Site Roadways
- Utilities
- Earthwork
- Water Management
- Landscaping
- Wetland Mitigation
- Professional Services
- Miscellaneous Costs

3.2 Off-Site Roadways

The District will construct certain improvements to the off-site roadways, which the District determines will provide an acceptable Level of Service and provide specific benefits to the District.

3.3 Utilities

The District is located within the Gulf Environmental Services, Inc. (GES) water-sewer franchise area, which provides water and wastewater services to the community. At the present time, GES does not have effluent reuse irrigation water available to the community. GES is a not for profit corporation all of the assets of which will become the property of Lee County, Florida upon repayment of the revenue bonds issued by GES to acquire its water and sewer utility system. According to GES, the assets of GES are treated for federal tax purposes as owned by GES on behalf of the County. The district may elect to operate the water and wastewater utility through a bulk purchase agreement with GES or to transfer the water and wastewater components of the Project to GES if it is determined that such assets will also be owned on behalf of Lee County, Florida.

Potable water for the community will be provided by connections to and extension of existing GES water-sewer franchise watermains. There is an existing 12" main located in the Lee County road right-of-way of Ben Hill Griffin Parkway. The potable water is provided by the GES water treatment plant.

Wastewater from the community will be collected within the site and pumped via force mains and pumping stations located within the site. The wastewater from the site will be pumped to an existing 12" force main maintained and operated by the GES. This existing 12" force main is located in the Lee County road right-of-way for Ben Hill Griffin Parkway.

It is the intent of Miromar Lakes Community Development District to construct, operate and maintain irrigation water services to the community. Currently, on-site pumping and storage facilities are proposed to supply irrigation water for the community. There is an existing 12" reuse irrigation transmission main, which is

owned and maintained by GES within the Lee County owned right-of-way of Corkscrew Road, approximately 2 miles to the south of the project. However, no effluent reuse water is available at this time.

3.4 Earthwork and Clearing

Stormwater management, irrigation and park amenity lakes within the District will be excavated and the material will be used for fill of roadways and development tracts. It is necessary to fill these components to provide minimum finished elevations for typical storm events and flood protection. Also due to unsuitable material located at the substrata of the community, rock burial zones have been utilized where possible in the community to generate suitable fill for the community. It has also been determined that 1.2 million cubic yards of fill material will need to be provided from an off-site source due to unsuitable material received from on-site sources.

The lakes will be excavated in accordance with the size and depth requirements of the Lee County Land Development Code Standards and South Florida Water Management District. Approximately 91 acres of lakes will be excavated resulting in approximately 965,000 cubic yards of material. All material will remain on-site for construction of proposed infrastructure.

3.5 Storm Water Management

The District stormwater management system consists of excavated stormwater management lakes, drainage pipes, catch basins, swales, berms and water control structures. It should be noted that the golf course is a secondary flood zone and a major design component for the stormwater management. Nearly all of the stormwater quantity will be stored in the golf course lakes during the 100 year 3 day storm event. The stormwater quantity will be stored primarily in the large southern lake. Virtually the entire golf course is designed to be flooded to protect the residences within the community. Stormwater runoff from within the District will be collected and conveyed to the stormwater management lakes for water quality treatment and quantity storage. The stormwater will discharge from the water control structures to permitted discharge points along the large wetland preserve to the south and then in a westerly direction for a distance of approximately one mile to the head-waters of the Estero River.

The stormwater management will be designed and constructed in accordance with South Florida Water Management District standards for water quality treatment, quantity storage and flood protection.

3.6 Landscaping

Landscaping and irrigation will be provided in roadways, perimeter monument walls, all common areas and District entrances. Landscaping will consist of sod, annual flowers, shrubs, trees, ground cover, perimeter berms, littoral plantings in lakes. Existing vegetation will be utilized where possible.

3.7 Wetland Mitigation

The wetland mitigation within the District will consist of the construction and planting of aquatic littoral zones in the stormwater management lakes, removal of exotic plant species from the preserve areas and restoration and enhancement of the wetland hydroperiods within on-site, as well as off-site, wetland preserves and wildlife management areas.

3.8 Professional Service

The professional services for design and construction of all components within the District consist of engineering of walls, roadways, utilities, soils investigation and testing, earthwork, water management, surveying, permitting, landscaping design, environmental consultation and construction services for inspection of infrastructure during construction.

3.9 Miscellaneous Costs

These costs include permitting fees for construction of required District infrastructure bonding for these facilities and construction inspection services.

4. DEVELOPER FUNDED IMPROVEMENTS

4.1 Roadways

The developer will construct the roadways within the District. The roadways within the District will consist of two-lane divided and undivided roadways and 4 lane divided roadway sections. The roadways will provide access to the various land uses within the District and will connect to the existing public roadways which border the District. The roadways will be constructed with platted rights-of-ways or access easements. Presently there are five & one-half miles of roadway proposed for construction. The roadways within the District will be constructed by the developer and maintained by the Homeowners Association and remain under private ownership.

The roadways will be constructed of stabilized subgrade, limerock base, asphalt paving, curbing and gutter, sidewalks, signage and striping. The landscaping will be addressed in a subsequent section. The roadways will be designed and constructed in accordance with appropriate Lee County Subdivision and Lee County Land Development Standards.

4.2 Golf Course

The developer will also construct an eighteen (18) hole championship golf course. In addition to the eighteen (18) hole championship golf course, the developer will construct a clubhouse, maintenance building, halfway house and additional golf course landscaping will be provided.

4.3 Beach Club and Marina

The developer will construct a beach club building complete with workout room, tennis courts and swimming pool. This club will be provided with two (2) miles of white sand beach and marina docking facilities.

5. OPINION OF PROBABLE CONSTRUCTION COSTS

A summary of the opinion of probable costs in 2000 dollars for the project infrastructure is represented in Table 2. The District as well as the developer will be financing the proposed infrastructure. The proportionate share for each is depicted in this table. Table 3 is an outline of the probable cost for the items to be constructed by the District.

The total includes approximately a 10% contingency for the entire costs of District infrastructure. The professional fees consist of land surveying and engineering, soils investigation and testing, and engineering construction services that are necessary for the design, and permitting services during construction of the District infrastructure. The miscellaneous costs consist of permitting fees, bonding and construction engineering inspection services and Community Development District that are necessary during construction of District infrastructure.

The costs do not include the legal, administrative, financing, operation or maintenance services necessary to finance and operate the District infrastructure.

It is my professional opinion that these costs are reasonable for the quality of work to be performed.

TABLE 2

SUMMARY OF THE OPINION OF PROBABLE COST
FOR
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

(Cost in Thousands of Dollars)

Miromar Lakes Infrastructure Improvements	Developer Founded Infrastructure	District Founded Infrastructure	Total Infrastructure Cost
Phase I	\$7,530	\$37,078	\$44,608
Phase II	\$4,056	\$9,163	\$13,219
Phase III	\$9,805	\$16,882	\$26,687
Total Infrastructure Improvements	\$21,391	\$63,123	\$84,514

TABLE 3

THE OPINION OF PROBABLE COST
FOR
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

INFRASTRUCTURE	COST (in thousands of dollars)			
	Phase One	Phase Two	Phase Three	TOTAL
OFF-SITE ROADWAYS	\$3,872	\$3,050	\$3,992	\$10,914
WATER & SEWER	\$3,245	\$1,045	\$1,978	\$6,268
EARTHWORK	\$9,959	\$2,225	\$7,906	\$20,090
WATER MANAGEMENT	\$3,493	\$1,009	\$962	\$5,464
WATER MANAGEMENT LAND	\$3,328	\$0	\$0	\$3,328
LANDSCAPING & IRRIGATION	\$5,199	\$882	\$778	\$6,859
ELECTRIC SERVICE & LIGHTING	\$1,078	\$154	\$132	\$1,364
WETLAND MITIGATION	\$1,700	\$0	\$0	\$1,700
MITIGATION LAND	\$2,392	\$0	\$0	\$2,392
PROFESSIONAL FEES	\$1,200	\$400	\$400	\$2,000
MISCELLANEOUS (5% of Total)	\$1,612	\$398	\$734	\$2,744
TOTAL	\$37,078	\$9,163	\$16,882	\$63,123

6. Permits

Permits for construction are required prior to the commencement of infrastructure improvements. These permits include the following:

- Local zoning approval.
- Army Corps of Engineers Dredge and Fill Permit.
- South Florida Water Management District Surface Water and Water Use Permit.
- Environmental Protection Agency NPDES.
- Local Development Orders by Lee County.
- Florida Department of Environmental Protection Water and Wastewater Construction Permits.

All approvals and permits have been obtained for the golf course construction and Phase I infrastructure. It is anticipated that the permits for the remaining improvements will be obtained without any difficulties.

Randy S. Banks, P.E.
District Engineer

Date

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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**FORM OF OPINION OF NABORS, GIBLIN & NICKERSON, P.A.,
WITH RESPECT TO THE 2000 BONDS**

Upon delivery of the 2000 Bonds in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, proposes to render its opinion with respect to such 2000 Bonds in substantially the following form:

Board of Supervisors
Miromar Lakes Community
Development District

Re: \$14,530,000 Miromar Lakes Community Development District
Capital Improvement Revenue Bonds, Series 2000A and
\$27,395,000 Miromar Lakes Community Development District
Capital Improvement Revenue Bonds, Series 2000B

We have served as bond counsel in connection with the issuance by Miromar Lakes Community Development District (the "District"), a community development district established and existing pursuant to Chapter 190, Florida Statutes, as amended (the "Act"), of its \$14,530,000 Capital Improvement Revenue Bonds, Series 2000A (the "2000A Bonds") and \$27,395,000 Capital Improvement Revenue Bonds, Series 2000B (the "2000B Bonds") (collectively, the 2000A Bonds and the 2000B Bonds are hereinafter referred to as the "2000 Bonds"). The Bonds are being issued under and pursuant to the Constitution and laws of the State of Florida, a Master Trust Indenture (the "Master Indenture"), dated as of December 1, 2000 and a First Supplemental Trust Indenture, dated as of December 1, 2000 (collectively, the Master Indenture as amended and supplemented by the First Supplemental Indenture is hereinafter referred to as the "Indenture"), each from the District to First Union National Bank, Miami, Florida, as trustee (the "Trustee") and resolutions adopted by the Board of Supervisors of the District on September 19, 2000 and November 21, 2000 (collectively, the "Bond Resolution"). The 2000 Bonds are issued in an aggregate principal amount of \$41,925,000, for the purpose of: (i) financing the Costs of acquiring, constructing and equipping assessable improvements (the "2000 Project"); (ii) paying certain interest to become due on the 2000 Bonds; (iii) paying certain costs associated with the issuance of the 2000 Bonds; and (iv) making a deposit into the related Series Reserve Accounts for the benefit of all of the 2000 Bonds. The 2000 Bonds are a portion of the Bonds validated by final judgment of the Circuit Court of Lee County, Florida,

rendered on November 6, 2000, the appeal period for which has expired with no appeal having been taken. The 2000 Bonds are payable from and secured by Assessments (as defined in the Indenture) on property within the District specially benefitted by the assessable improvements financed with the proceeds of the 2000 Bonds and also by the 2000 Pledged Revenues and 2000 Pledged Funds comprising the 2000 Trust Estate. We have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion. Unless the context indicates otherwise, all terms not otherwise defined herein shall have the meaning ascribed to such terms in the Indenture.

The 2000 Bonds recite that neither the 2000 Bonds nor the interest and premium, if any, payable thereon shall constitute a general obligation or general indebtedness of the District within the meaning of the Constitution and laws of the State of Florida. The 2000 Bonds and the interest and premium, if any, payable thereon do not constitute either a pledge of the full faith and credit of the District or a lien upon any property of the District other than as provided in the Indenture authorizing the issuance of the 2000 Bonds. No Owner or any other person shall ever have the right to compel the exercise of any ad valorem taxing power of the District or any other public authority or governmental body to pay debt service or to pay any other amounts required to be paid pursuant to the Indenture or the 2000 Bonds. Rather, debt service and any other amounts required to be paid pursuant to the Indenture or the 2000 Bonds, shall be payable solely from, and shall be secured solely by the 2000 Pledged Revenues, together with the 2000 Pledged Funds comprising the 2000 Trust Estate pledged to the 2000 Bonds, all as provided in the 2000 Bonds and in the Indenture.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

On the basis of our review, we are of the opinion that:

1. The District has been duly established and validly exists as a community development district under the Act.
2. The District has the right and power under the Act to authorize, execute and deliver the Indenture, and the Indenture has been duly and lawfully authorized, executed and delivered by the District, is in full force and effect and is valid and binding upon the District and enforceable in accordance with its terms. The Indenture creates the valid pledge which it purports to create of the 2000 Trust Estate, including the 2000 Assessments, in the manner and to the extent provided in the Indenture.
3. The 2000 Bonds are the valid, binding, special obligations of the District, enforceable in accordance with their terms and with the terms of the Indenture and are entitled to the benefits of the Indenture and the Act as amended to the date hereof, and the 2000 Bonds have been duly and validly authorized and issued in accordance with law and the Indenture.

4. The 2000 Bonds and interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

5. Under existing statutes, regulations, rulings and court decisions, the interest on the 2000 Bonds (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to certain corporations, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in clause (a) above is subject to the condition that the Board comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the 2000 Bonds in order that interest thereon be (or continues to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the 2000 Bonds to be so included in gross income retroactive to the date of issuance of the 2000 Bonds. The District has covenanted to comply with all such requirements. Ownership of the 2000 Bonds may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding such federal tax consequences arising with respect to the 2000 Bonds.

The opinions expressed above as to enforceability may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

Except as may expressly be set forth in an opinion delivered by us to the underwriters of the 2000 Bonds on the date hereof (upon which only they may rely), (1) we have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Limited Offering Memorandum or other offering material relating to the 2000 Bonds and we express no opinion relating thereto, and (2) we have not been engaged or undertaken to review the compliance with laws of the State of Florida or the United States with regard to the sale or distribution of the 2000 Bonds and we express no opinion relating thereto.

We have examined the form of the 2000 Bonds and, in our opinion, the form of the 2000 Bonds is regular and proper.

Very truly yours,

NABORS, GIBLIN & NICKERSON, P.A.

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APPENDIX E

**GENERAL INFORMATION CONCERNING
LEE COUNTY, FLORIDA**

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APPENDIX E

LEE COUNTY GENERAL INFORMATION

INTRODUCTION

Lee County, Florida (the "County") was founded in 1887 and named in honor of General Robert E. Lee. The County, located on the Gulf coast of Florida, encompasses approximately 811 square miles including several small islands in the Gulf of Mexico. The County is bordered by Charlotte County to the north, Hendry County to the east and Collier County to the south, and is bisected by the Caloosahatchee River. The county has 237 square miles of inland water and 172 square miles of coastal/territorial water. Three incorporated municipalities are located on the mainland: Fort Myers (the County seat), Fort Myers Beach and Cape Coral; a fourth municipality, Sanibel, is situated on the island of the same name. The unincorporated communities include Lehigh Acres, Bonita Springs, Estero, North Fort Myers, Tice, Alva, Pine Island, Matlacha and Captiva Island.

The following table shows the number of square miles within each incorporated municipality and the County:

<u>Land Area</u>	<u>Square Miles</u>
Fort Myers	21.4
Cape Coral	113.6
Sanibel	14.2
Fort Myers Beach	2.7
Unincorporated Area	<u>659.4</u>
Lee County Total	811.3

Source: University of Florida, Bureau of Economic and Business Research.

Lee County's climate can be classified as subtropical with temperatures averaging from 64 degrees Fahrenheit in January to 83 degrees Fahrenheit in August. The average temperature is 74.4 degrees Fahrenheit.

POPULATION

The County is coterminous with the Fort Myers - Cape Coral Metropolitan Statistical Area ("MSA"). Close to 10 million people reside within a 150-mile radius of Fort Myers. The U.S. Department of Commerce, Bureau of the Census has determined it to be the third fastest growing MSA for the last ten years. This will increase to more than 13 million by 2010. Lee County and the Southwest region of Florida sustained tremendous growth in population from 1980-98, increasing 98% in Lee County and 111% in the Region. The estimated 1999 population for Lee County was 417,100, representing a 24.5% increase over 1990. This growth compares to an 18.4% population increase for Florida between 1990 and 1999, and a 9.6% population gain for the United States between 1990 and 1999. The fastest growing segment of Lee County's population from 1980 to 1997 was the 25-44 year age group, growing by 119%. The 18-24 age group is projected to grow at a rate of 26% over the next ten years while the same age group will decline 10% nationally. Lee County, once recognized almost entirely as a resort and retirement community, has experienced in the last 2 decades the addition of new residents at the rate of 500 - 1,000 per month. Fort Myers - Cape Coral was the 4th fastest growing metro area in the United

States from 1980 to 1990. That growth has continued in the 1990's with Lee County remaining in the top 50 from 1990 to 1996, according to the U.S. Census Bureau.

The table below shows the population data for the County, the State of Florida, and the United States.

**Population
Lee County, Florida and the United States
1960-1998**

<u>Year/Period</u>	<u>Lee County⁽¹⁾</u>	<u>Florida</u>	<u>United States</u>
1960 ⁽²⁾	54,539	4,951,560	179,323,000
1970 ⁽²⁾	105,216	6,791,418	203,212,000
1980 ⁽²⁾	205,266	9,739,992	226,505,000
1990 ⁽³⁾	335,113	12,937,926 ⁽⁴⁾	248,718,000 ⁽⁵⁾
1995 ⁽⁶⁾	376,702	14,149,317	262,251,000
1996 ⁽⁶⁾	383,706	14,411,563	264,701,000
1997 ⁽⁶⁾	394,244	14,712,922	267,540,600
1998 ⁽⁷⁾	405,600	15,425,000	270,299,000
1999 ⁽⁷⁾	417,100	15,111,000	272,691,000

⁽¹⁾ Fort Myers-Cape Coral MSA

⁽²⁾ Source: U.S. Department of Commerce, Bureau of the Census.

⁽³⁾ Source: University of Florida, Bureau of Economic and Business Research, except United States population figure which is from the United States Bureau of the Census in Atlanta, Georgia.

⁽⁴⁾ Florida population is as of April 1, 1990.

⁽⁵⁾ United States population is as of April, 1990.

⁽⁶⁾ Estimated. Source: U.S. Department of Commerce, Bureau of the Census; Statistical Abstract of the U.S. (United States); University of Florida, Bureau of Economic & Business Research (Florida and Lee County).

⁽⁷⁾ Estimated. Source: University of Florida, Bureau of Economic and business Research Florida Statistical Abstract 2000.

**Percentage in Population Growth
Lee County, Florida and the United States
1960-1998**

<u>Year/Period</u>	<u>Lee County⁽¹⁾</u>	<u>Florida</u>	<u>United States</u>
1960-1970	92.92%	37.16%	13.40%
1970-1980	95.09	43.42	11.40
1980-1990	63.26	32.83	9.80
1990-1999 ⁽²⁾	24.50	18.40	9.60

⁽¹⁾ Fort Myers-Cape Coral MSA

⁽²⁾ Estimated. Source: University of Florida, Bureau of Economic and business Research Florida Statistical Abstract 2000. Other Sources: U.S. Department of Commerce, Bureau of the Census; University of Florida, Bureau of Economic and Business Research.

The following table shows the population for the County for April 1, 1981 through 1999 with projections for 2000, 2005 and 2010 as estimated by the University of Florida, Bureau of Economic and Business Research.

**Population Growth
Lee County
1981-2010**

<u>April 1</u>	<u>Existing and Estimated Population⁽²⁾</u>	<u>% Annual Growth</u>
1981	214,867	4.68%
1982	227,300	5.77
1983	235,465	3.61
1984	251,768	6.92
1985	264,367	5.00
1986	277,375	4.92
1987	293,713	5.89
1988	307,526	4.70
1989	324,520	5.53
1990	335,113	3.26
1991	344,032	2.66
1992	350,809	1.97
1993	357,550	1.92
1994	367,410	2.76
1995	376,702	2.53
1996	383,706	1.86
1997	394,244	2.75
1998	405,600	2.34
1999	417,100	1.03
2000 ⁽¹⁾	422,503	1.01 (1999-2000)
2005 ⁽¹⁾	467,299	2.12 (2000-2005)
2010 ⁽¹⁾	511,404	1.89 (2005-2010)

⁽¹⁾ Projected population.

⁽²⁾ Not seasonally adjusted.

Source: University of Florida, Bureau of Economic and Business Research (1981-1998 and 2000-2010).
Executive Office of the Governor, Office of Management and Budget (1998 figure).

1999 estimates: Source: University of Florida, Bureau of Economic and Business Research Florida Statistical Abstract 2000.

**Population from 1990 Census and Estimates for 1999
for Cities Within Lee County**

<u>City</u>	<u>1990 Census</u>	<u>1999 Estimates</u>
Cape Coral	74,991	96,760
Ft. Myers	44,947	47,068
Ft. Myers Beach ⁽¹⁾	N/A	6,107
Sanibel	5,468	6,012
Unincorporated	209,707	261,167
Totals	335,113	417,114

⁽¹⁾ Not incorporated in 1990

Source for 1999 Estimates: University of Florida, Bureau of Economic and business Research Florida Statistical Abstract 2000.

Other Sources: U.S. Department of Commerce, Bureau of the Census

The following table provides a profile in the composition of the population by age.

**Percent Composition of Population by Age
Lee County and Florida
1960, 1970, 1980, 1990, and 1999**

LEE COUNTY

<u>Age</u>	<u>1960</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>1999</u>
0-14	28.5	23.7	17.5	16.5	16.6
15-24	11.3	12.7	13.7	10.3	9.5
25-44	23.8	19.2	21.9	26.6	24.3
45-64	23.7	25.6	24.6	21.7	24.7
65 & over	12.7	18.8	22.3	24.8	24.6

FLORIDA

<u>Age</u>	<u>1960</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>1999</u>
0-14	29.6	25.8	19.3	18.6	18.9
15-24	12.9	15.8	16.6	12.9	12.0
25-44	25.8	22.2	15.1	30.4	27.9
45-64	20.6	21.6	21.6	19.8	22.6
65 & over	11.2	14.6	17.3	18.3	18.3

Note: Percentages may not add to 100.0 due to rounding.

Sources: U.S. Department of Commerce, Bureau of the Census; University of Florida, Bureau of Economic and Business Research, Division of Population Studies.

1999 Estimates: Source: University of Florida, Bureau of Economic and Business Research Florida Statistical Abstract 2000

THE ECONOMY

Labor Force, Employment and Unemployment

The labor force of the County has increased steadily from 140,724 in 1988 to 175,372 in 1999, a gain of 24.6%. The following table shows unemployment rates for Lee County, the State of Florida and the United States from 1980 to 1999. The annual average employment covered by unemployment compensation law by major industry group follows.

**Unemployment Rates
Lee County, Florida and the United States
1977-1999**

<u>Fiscal Year</u>	<u>County</u>	<u>State</u>	<u>National</u>
1980	5.2%	5.9%	7.1%
1981	5.9	6.8	7.6
1982	7.4	8.2	9.7
1983	6.5	8.1	8.8
1984	5.2	6.3	7.5
1985	4.6	6.0	7.2
1986	4.2	5.7	7.0

1987	3.6	5.0	6.0
1988	3.5	5.0	5.6
1989	3.9	5.6	5.3
1990	4.4	5.9	5.5
1991	6.2	7.4	7.1
1992	7.1	8.2	7.4
1993	5.7	6.4	6.7
1994	5.3	6.6	6.1
1995	4.7	6.3	5.6
1996	4.2	5.5	5.5
1997	3.4	4.8	4.9
1998	3.0	4.3	4.5
1999	2.6	3.9	4.2

Source: Florida Department of Labor and Employment Security, Bureau of Research and Analysis, Labor Force Summary.
 Source for 1998 and 1999 figures: University of Florida, Bureau of Economic and Business Research Florida Statistical Abstract 2000

Employers

Major employers located within Lee County together with the total number of employees employed by each are presented below.

**Lee County
10 Largest Employers**

<u>Name of Firm</u>	<u>Industry</u>	<u>Number of Employees</u>
School District of Lee County	Public schools, K-12	8,026
Lee Memorial Health Systems	Health Care/Hospitals	4,600
Publix Supermarkets	Grocer-Retail	2,839
WalMart Corporation	General Merchandise-Retail	1,850
Lee County Government	County government	1,657
City of Cape Coral	City government	1,370
MeriStar	Resorts, call center	1,250
Florida Department of Children & Families	Government offices, state	1,182
Southwest FL Regional Medical Center	Health Care/Hospital	1,030
WCI Communities, Inc.	Real estate developer/builder	1,007

Source: Lee County Office of Economic Development; Lee County Finance Division, updated 11/6/00

Lee County Companies by Size in Major Industry Sectors

Industry	Total Companies	Number of Employees				
		1-9	10-49	50-249	250-999	1,000+
Agriculture Services	25	22	3	--	--	--
Mining	9	7	1	--	--	--
Construction	1,504	1,163	291	48	2	--
Manufacturing	365	246	92	26	1	--
Transportation, Public Utilities & Warehousing	266	204	51	10	1	--
Wholesale Trade	583	446	124	13	--	--
Retail Trade	1,945	1,453	389	94	9	--
Information	151	107	33	9	2	--
Finance, Insurance and Real Estate	1,415	1,218	179	18	--	--
Services	4,272	30304	783	170	12	3
Health care and Social Assistance	963	701	213	41	6	2
Unclassified Establishments	118	118	--	--	--	--
Total	11,6161	8,989	2,159	430	33	5
Percentage	100%	77.4%	18.6%	3.7%	0.3%	0.0%

Source: Lee County Office of Economic Development; Lee County Finance Division

Tourism

A combination of favorable climate and available recreational activities including public beaches, tennis courts, golf courses and theaters has made tourism a major industry in the County. For Fiscal Year 1998 (October, 1997 to September, 1998), tourism generated \$9.4 million in resort taxes. In the year ended December 31, 1997, the tourism industry employed (directly) 31,239 residents or 21.1% of the working labor force and generated (directly) \$446 million in wages. 1,782,000 tourists visited the County and spent approximately \$878 million in the County in Calendar Year 1997.

Agribusiness

Agriculture remains an important factor to the State and southwest region's economy. The following table shows 1990-1997 (the most recent years for which figures were available) agricultural production by commodity for Lee County.

Agricultural Production and Commodity

Product	Production 1990-1991 Acreage	Production 1991-1992 Acreage	Production 1992-1993 Acreage	Production 1993-1994 Acreage	Production 1994-1995 Acreage	Production 1995-1996 Acreage	Production 1996-1997 Acreage
Ornamental Plants	560	N/A	N/A	N/A	N/A	N/A	N/A
Tomatoes	2,310	2,200	2,800	3,000	2,725	2,475	2,000
Citrus	9,692	N/A	N/A	12,238	N/A	12,155	N/A
Cucumbers	1,700	1,500	1,450	N/A	N/A	N/A	N/A
Squash	750	1,000	1,100	2,200	1,600	1,150	450
Watermelon	900	900	1,600	1,400	1,000	1,100	1,000
Bell Peppers	1,650	1,600	1,400	1,800	1,265	N/A	N/A
Tropical Fruit	595	N/A	N/A	N/A	N/A	N/A	N/A

Source: Florida Department of Agriculture and Consumer Services, Florida Agricultural Statistics Service.

According to a University of Florida report published in the early 1980's, about 118,000 of the 513,920 acres in Lee County were agricultural. That was down from 142,509 in 1959. Due to increasing land values, farmers who remain are turning to the production of more valuable crops, such as citrus and ornamental plants. An increase in citrus production occurred due to the citrus-killing freezes in Central Florida in 1977, 1980, 1981 and 1985 which forced farmers to move citrus south into southwest Florida. That increase is reflected in the acreage figures listed above in which citrus acreage in Lee County grew 26.3% between 1990-1991 and 1993-1994. In 1997, there were 509 farms in Lee County with 129,001 acres (approximately 25% of the land in the county).

The ornamental plant industry includes over 1,000 wholesale and retail ornamental nurseries in southwest Florida selling potted plants, ornamental plants for landscaping, sod and cuttings. The flower industry in the County is primarily concentrated in the packing and marketing of flowers cultivated in the neighboring counties of Collier, Charlotte and Hendry. Approximately 13,000 head of beef and dairy cattle graze on 204,000 acres of land with annual revenues of approximately \$2 million.

In 1998, a total of 3,160,602 pounds of fish and 8,997,819 pounds of shellfish were landed in Lee County.

Income

The analysis of income and effective buying income is presented in the following tables.

**Personal Income by Industry Classification
1980, 1990, and 1995
Lee County
(in Millions)**

<u>Industry</u>	<u>1980</u>	<u>1990</u>	<u>1995</u>	<u>Percent Change 1990-95</u>
Manufacturing	\$53.1	\$148.8	\$200.5	+34.7%
Construction	144.5	386.5	414.9	+ 7.3
Transportation, Communications and Utilities	77.4	173.2	254.2	+46.8
Trade (Wholesale and Retail)	34.2	674.8	852.3	+26.3
Finance, Insurance and Real Estate	90.1	201.2	343.1	+70.5
Services	216.7	1,051.2	1,422.0	+35.3
Government (State, Federal and Local)	139.2	475.1	683.3	+43.8
Agriculture, Services and Farms	<u>23.2</u>	<u>38.1</u>	<u>60.8</u>	<u>+59.6%</u>
Total	<u>\$979.3</u>	<u>\$3,148.9</u>	<u>\$4,100.4</u>	<u>+34.4%</u>

Source: U.S. Department of Commerce.

**Effective Buying Income
1998
Lee County and Florida**

	Total EBI (000)	Medium Household EBI	\$20,000- 34,999	\$35,000- 49,999	\$50,000 & Over
Lee County	\$ 6,887,324	\$32,037	27.6%	19.8%	25.4%
Cape Coral	1,540,920	35,472	28.0	22.9	27.9
Fort Myers	645,019	25,114	26.6	16.5	17.7
Florida	249,431,057	31,573	24.9	17.9	27.0

Source: Sales and Marketing Management, 1998 Survey of Buying Power.

**Median Household Effective Buying Income
Lee County, Florida and United States
1990-1998**

	<u>1990</u>	<u>1998</u>	<u>Percent Change 1990-1998</u>
Lee County	\$26,730	\$32,037	19.9%
Cape Coral	31,280	35,472	13.4
Fort Myers	21,557	25,114	16.5
Florida	25,914	31,573	21.8
United States	27,912	34,618	24.0

Source: Sales and Marketing Management, Survey of Buying Power, 1990 and 1998.

**Retail Sales
Lee County
1998
(in thousands)**

	<u>Total Retail Sales</u>	<u>Food</u>	<u>Eating and Drinking Places</u>	<u>General Merchandise</u>	<u>Furniture/ Appliance</u>	<u>Automotive</u>
Lee County	\$4,922,799	\$763,802	\$496,298	\$649,290	\$365,130	\$1,337,194
Cape Coral	643,396	183,001	60,109	70,625	33,725	82,422
Fort Myers	1,610,627	135,791	131,200	275,109	146,987	654,875

Source: Sales and Marketing Management, 1998 Survey of Buying Power.

Due to the population growth, construction activity in the County has been steady. The County's incorporated areas have paralleled the building activity trend toward multifamily housing in the incorporated region. The following table presents residential building activity in the County for 1992 through October, 1998.

**Total Residential Building Permits
Lee County (1993-1999)**

		Total Value (\$000)	Single Family	Multi Family
<u>1993</u>	Cape Coral	\$ 60,997	1,199	26
	Fort Myers	11,137	45	133
	Sanibel	24,423	51	56
	Unincorporated	<u>368,638</u>	<u>2,342</u>	<u>1,452</u>
	Total County	\$465,195	3,637	1,667
<u>1994</u>	Cape Coral	\$ 58,557	1,109	22
	Fort Myers	2,885	22	2
	Sanibel	20,271	62	27
	Unincorporated	<u>413,901</u>	<u>2,543</u>	<u>1,529</u>
	Total County	\$495,614	3,736	1,580
<u>1995</u>	Cape Coral	\$ 48,603	872	66
	Fort Myers	3,130	19	15
	Sanibel	20,743	65	12
	Unincorporated	<u>437,190</u>	<u>2,072</u>	<u>1,891</u>
	Total County	\$509,667	3,028	1,984
<u>1996</u>	Cape Coral	\$57,706	1,041	46
	Fort Myers	3,575	43	7
	Sanibel	17,239	54	12
	Unincorporated	<u>540,283</u>	<u>2,539</u>	<u>1,968</u>
	Total County	\$618,802	3,677	2,033
<u>1997</u>	Cape Coral	\$62,250	1,189	39
	Fort Myers	6,670	45	68
	Sanibel	16,166	48	6
	Unincorporated	<u>525,887</u>	<u>2,254</u>	<u>2,259</u>
	Total County	\$613,173	3,536	2,372
<u>1998</u>	Cape Coral	\$71,503	1,219	215
	Fort Myers	36,798	63	695
	Sanibel	20,304	61	0
	Unincorporated	<u>570,912</u>	<u>2,029</u>	<u>2,602</u>
	Total County	\$699,517	3,372	3,512
<u>1999</u>	Cape Coral	147,969	1,719	288
	Ft. Myers	58,880	120	772
	Sanibel	24,819	74	12
	Unincorporated	<u>790,192</u>	<u>2,809</u>	<u>3,022</u>
	Total County	1,021,860	4,722	4,094

Source: University of Florida, Bureau of Economic and Business Research; Building Permit Activity in Florida (Annual Reports 1992-1998); 1999 figures from University of Florida, Bureau of Economic and Business Research, Florida Statistical Abstract 2000, Construction.

FINANCIAL INSTITUTION

Financial services for Lee County are provided by approximately 27 banks, 4 savings and loan associations, and 2 credit unions with a combined total of approximately 160 branches throughout Lee County.

EDUCATION

The County School System operated 76 elementary and secondary schools in the 1998-1999 school year, with a total enrollment of 53,172 students. Other schools include 3 exceptional student education, 2 vocational/technical schools and 17 alternative schools. Thirty-three (33) private schools are also located in the County. There are more than 3,500 students enrolled in one of the seven Lee County magnet schools, which are open to students at the elementary, middle, and high school levels. For the 1996-1997 school year, private schools had a local enrollment of 4,765 students.

Florida Gulf Coast University, Florida's tenth state university, opened in August of 1997. This is the first public university established in Florida in 25 years. Edison Community College offers Associate degree programs to its 14,000 students. Vocational-technical training is available at two campuses. Lee County High Tech Center (North and Central campuses) prepare students for employment by providing technology-oriented education. More than 40 different programs are offered in fields such as PC and network support, inter-intranet services, business, skilled office, drafting and engineering, construction, computer, and electronic technology, health sciences and services.

TRANSPORTATION

Highways

Interstate 75 is presently the principal north-south highway. It is a four-lane road stretching from the Canadian border at Sault Ste. Marie, Michigan to Miami, Florida. U.S. Highway 41, also a north-south highway, is a limited-access four-lane road for most of the distance between Bradenton to the north and Naples to the south, connecting the Fort Myers MSA with Tampa to the north and Miami via the route of the Tamiami Trail. State Road 80 connects with U.S. Highway 27 in the central part of the State, providing additional access to the Orlando/central Florida area and the east coast from Palm Beach, north.

Bus Service

Greyhound Bus Lines with a terminal in Fort Myers offers daily scheduled service for nationwide thru-line and charter service. Local bus service is provided by Lee Tran, a transit system operated by the County.

Truck Line

Approximately thirty (30) interstate and intrastate truck lines serve Lee County.

Rail Transportation

Rail transportation, for freight only, is provided by Seminole Gulf Railway in full carloads and truckloads. The rail line is fifty miles long and runs north through Arcadia and south into Collier County. A piggyback ramp is provided and the railroad offers door-to-door delivery.

Airports

There are two airports in the County: the Southwest Florida International Airport and Page Field General Aviation Airport. The Southwest Florida International Airport opened on May 14, 1983. It is located on a 5,016-acre site seven miles southeast of the center of Fort Myers, three miles from Interstate 75. An additional 5,736 acres have been set aside for environmental mitigation.

Page Field General Aviation Airport is situated on a 670-acre site in Fort Myers and is presently used for general aviation purposes.

	<u>Southwest Florida International Airport</u>		<u>Page Field</u>	
Runway length	12,000 by 150 feet		6,400 by 150 feet	
Runway length			5,000 by 150 feet	
Main terminal	314,000 square feet			
Cargo building	37,500 square feet			
Maintenance building	12,000 square feet			
Inspection station	38,000 square feet			
Training facility	8,500 square feet			

<u>Calendar Year</u>	<u>Enplanements</u>	<u>Deplanements</u>	<u>Total</u>	<u>Air Freight</u> (in thousands of pounds)	<u>Air Mail</u>
1987	1,357,040	1,328,802	2,685,842	3,341.2	3,471.6
1988	1,566,025	1,549,099	3,115,124	8,077.7	4,725.9
1989	1,624,969	1,605,984	3,230,953	7,383.9	4,595.6
1990	1,872,335	1,840,706	3,713,041	12,076.3	4,944.4
1991	1,738,295	1,698,225	3,436,520	13,078.8	4,753.3
1992	1,763,521	1,709,140	3,472,661	14,505.9	6,225.1
1993	1,876,558	1,841,170	3,717,758	16,996.3	6,637.6
1994	2,024,741	1,980,101	4,004,842	19,083.5	8,449.4
1995	2,072,457	2,026,061	4,098,518	19,556.6	8,471.2
1996	2,188,127	2,129,220	4,317,347	25,334.8	9,017.9
1997	2,262,360	2,215,505	4,477,865	25,651.7	8,355.1
1998	2,358,258	2,308,949	4,667,207	28,533.4	4,196.1

The Southwest Florida International Airport is presently served by the following airlines:

Major Carriers	Domestic Charters	International Charter	Commuter Airlines	All Cargo Carriers
Air Tran	Miami Air International	Air Canada	American Eagle	Federal Express
American Airlines	Sun Country	Canadian 3000	Comair	North Star Air Cargo
American Trans Air	AV Atlantic	LTU Airways	Cape Air	United Parcel Service
America West	Reno Air	Air Transit	USAir Express	
Continental	Express One	Royal Airlines	Atlantic Coast	
Delta Airlines	Nations Air	Balair/CTA	Gulf Stream	
Midwest Express	Falcon Air			
Northwest Airlines	Ryan Airlines			
Spirit	Panagra Aviation			
TWA	Southwest Airlines			
US Air	American International			
United Airlines	Champion Airlines			
America West	ProAir			
Pan American	Sky Trek			
	Sun Pacific			
	Winn Air			

Source: Lee County Port Authority

Water Transportation

Florida's fifth largest deep water port is located at Boca Grande on Charlotte Harbor in the northwest section of the County. The port is 32 feet deep and approximately 300 feet in width. Currently, the major activity at Boca Grande is the receipt of fuel oil from ocean-going tankers which is transferred to barges for delivery to the Florida Power & Light generating plant in Fort Myers. The Okeechobee Waterway provides a navigable link between the Gulf of Mexico and the Atlantic Ocean via the Caloosahatchee River, Lake Okeechobee and the St. Lucie Canal.

HEALTH CARE FACILITIES

Hospital	Number of Beds	Physicians on Staff	Number of Employees	Specialty
Lee Memorial Health System				
Lee Memorial Hospital	367	Combined 750	4,900	
Health Park Medical Center	145			
The Children's Hospital	75			
Cape Coral Hospital	281			
The Rehabilitation Hospital	60			
Columbia/HCA Healthcare				
S.W. Florida Regional Medical Center	400	Combined 600	2,950	
Gulf Coast Hospital	120			
East Pointe Hospital	88			
Charter Glade Behavioral Health System	144	18	105	Psych. and Chemical Dependency Treatment
TOTAL	1,680		7,955	

Source: Southwest Florida Regional Planning Council; Lee County Department of Finance and the Economic Development Office, as reported by the Lee County Office of Economic Development

RECREATION FACILITIES

There are 105 parks in Lee County totaling more than 1,425 acres as well as a Nature Center and Children's Museum, the "Ding" Darling Wildlife Sanctuary, country clubs, auditoriums, Thomas Edison's and Henry Ford's Homes, Lover's Key/Black Island State Park, Lakes Park, and Six Mile Cypress Slough, as well as over 40 marinas and several beaches that extend over 50 miles in all from Gasparilla Island State Recreational Area to Barefoot Beach on Little Hickory Island. There are 18 miles of public parks on the beachfront and more than 100 beach accesses.

Lee County has 50 golf courses, 27 of which are open to the public. The county also hosts two major league spring training teams: The Minnesota Twins at Lee County Sports Complex and the Boston Red Sox at City of Palms Park. Exhibition games take place during March. It is also home to minor league baseball's Fort Myers Miracle and minor league hockey's Florida Everglades.

In 1992, the Lee County Alliance of the Arts opened the 12,100 square foot William R. Frizzell Cultural Centre, which includes an exhibition gallery, the 200-seat Claiborne & Ned Foulds Theatre, and outdoor amphitheater, and art education classrooms. This facility is home to the Company, Inc., a professional equity theater group, The Film Society of Southwest Florida, the Southwest Florida Historical Society, and the Lee County Art in Public Places. Many festivals call the Alliance home, such as the India festival, Israel Independence Day, All Things British, Boulevard Jazz, the Irish Heritage Society, ballet conservatory, and sculpture garden. Other cultural centers include the Arcade Theater in downtown Fort Myers, the Barbara B. Mann Performing arts Hall on Edison Community College campus, the Broadway the Big Arts and the Pirate Playhouse on Sanibel Island, Palm Dinner Theatre in Fort Myers, the Cultural Park Theatre in Cape Coral.

PUBLIC LODGING AND FOOD ESTABLISHMENTS

As of 1999, there were 1,204 licensed food establishments in Lee County with a seating capacity of 109,602. There were also 31 licensed hotels with a total of 3,572 units and 136 licensed motels with a total of 5,104 units.

COMMUNICATIONS

There were 63 broadcasting and telecommunications establishments in Lee County in 1997, employing 2,418 people, with an annual payroll of \$96,514,000. There are 19 newspapers and 27 magazines servicing the Lee County area. Telephone service is available through United Telephone Company, and telegraph service through Western Union.

COUNTY GOVERNMENT

In 1998, the total countywide ad valorem millage rate was 15.3713, and the total taxable value of property was \$21,669,298,000. Taxable sales for FY 1997-98 amounted to \$409,431,000. Lottery sales in FY 1998-99 were \$51,989,000. Revenue for Lee County in FY 1996-97 totaled \$730,419,000 (\$1,853 per capita) while expenditures were \$768,140,000 (\$1,948 per capita). Tax collections within Lee

County for FY 1998-99 totaled \$410,071,761, consisting of \$396,339,423 sale and use tax, \$11,889,120 motor vehicle tags, and \$1,843,218 pari-mutuel wagering taxes.

MUNICIPALITIES OF CAPE CORAL, FORT MYERS, FORT MYERS BEACH AND SANIBEL GENERAL INFORMATION

City of Cape Coral General Information

Incorporated in 1970, the City of Cape Coral lies on a peninsula that is bordered by the Gulf of Mexico on the west and the Caloosahatchee River on its eastern shore. With an area of 106 square miles, the City is Florida's second largest city in land area. The City of Cape Coral is governed by a Mayor and seven Council members. A city manager, chosen by the Council, is the chief administrator.

Growth has occurred primarily in the southeastern portion of the City. More than 90% of Cape Coral's urban development is situated in this quadrant, covering less than 35% of the City's total acreage. The 1999 estimated population was 96,760. The resulting additional residential and commercial development will mostly progress toward the north and the west. The City is presently composed of residential homes, many of which are waterfront condominiums, rental units and commercial establishments, consisting of shops, office buildings and service oriented establishments. Proposed land use plans for the City indicate that the primary proposed land use includes high density residential development, commercial businesses and recreational facilities.

City of Fort Myers General Information

Built originally as Fort Harvie in 1841, Fort Myers was a military base until the end of the Civil War. The City itself was platted in 1876 and underwent a slow growth on the grounds of the old military base and along the Caloosahatchee River. The twentieth century brought uneven growth, with the "Boom Times" bringing tremendous growth in the 1920's and the "Great Depression" creating havoc in that growth. Today, the growth is gradual but constant, as the City plans on revitalizing old neighborhoods and preparing the infrastructure and civic needs of new developments. For the future, the City plans on straightening its boundaries to include all the land between Interstate 75 and the river approximately north of Page Field, as well as some land just north of the Six Miles Cypress Slough and west of I-75 in order to provide better services to the area. As of December, 1990, the City included approximately 16 square miles of land. The 1999 estimated population was 47,068. The City of Fort Myers is administered by a Mayor and five City Council members.

Town of Fort Myers Beach General Information

The Town of Fort Myers Beach was incorporated on January 1, 1996. The area includes a 2.7 square mile area known as Estero Island. According to the 1990 census, there were 5,815 permanent residents with 7,420 housing units. Only 40% of those units were occupied on a full-time basis. The 1999 estimated population of Ft. Myers Beach was 6,107. Estero Island is separated from the mainland on the north by Estero Bay. Its southern shore is on the Gulf of Mexico. The island is connected to the mainland on its western side by the Matanzas Bridge and on the east to Bonita Beach by a causeway. The major beach road is Estero Boulevard. The 1998 estimated population is 6,010.

Sanibel and Captiva Islands General Information

Sanibel and Captiva Islands (connected by the Blind Pass Bridge) lie about 2.5 miles off the west coast of Florida near Fort Myers at the entrance to the Caloosahatchee River which provides a deep water channel to Fort Myers. Sanibel Island is 14 miles long and 3 miles wide at some points and Captiva Island is 6 miles long and about .5 miles wide. The islands possess what is said to be some of the most famous beaches in the world for shell collecting. Some 300 different varieties of shells are found, including many rare specimens. Lying across the prevailing currents, the islands have a long southern exposure, each high tide bringing a new charge of shells to the beach. Sanibel has gained national recognition for the Sanibel Shell Fair which has been held in the Spring for 35 years, the "Ding" Darling Wildlife Sanctuary and a month-long Fall Festival. Fishing is an important recreation. A public free fishing pier is provided and Blind Pass Bridge is equipped with pedestrian lanes for fishing.

Of the 11,317 total land acres on Sanibel Island, 4,754 are held by the H.N. "Ding" Darling National Wildlife Refuge and 540 by the Sanibel-Captiva Conservation Foundation, leaving 6,023 acres not preserved by federal or Conservation owned lands.

The permanent population of Sanibel in 1960, prior to completion of the Sanibel Bridge, was estimated at 300. The 1970, 1980 and 1990 census figures were 818, 3,692 and 5,468 respectively. The 1999 estimated population was 6,012.

The City of Sanibel was incorporated November 5, 1974. Soon after incorporation the City employed Wallace Roberts and Todd of Philadelphia to draft a Comprehensive Land Use Plan. The Plan has been adopted by the City Planning Commission and is currently in effect. Under the Plan there will be no building permits and no conventional zoning; however, building will be based on development permits that will be obtained only after consideration of a number of factors, primarily of an ecological nature. For instance, the only freshwater river on a Florida island must not be damaged and the sea oats and other vegetation which control beach erosion may not be destroyed. Bird rookeries, and fish and alligator breeding areas are to be protected.

The Plan contemplates a population of 8,000 within six years but only if certain basic capital improvements to support such growth are available.

The City is governed by a mayor and four council members while a City Manager directs the administration of the City affairs.

Unincorporated Areas of Lee County

The estimated population of the unincorporated areas of Lee County, Florida for 1999 was 261,167.

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the "Disclosure Agreement") is executed by and between Miromar Lakes Community Development District (the "Issuer") and Miromar Lakes, LLC, a Florida limited liability company (the "Developer"), in connection with the issuance of the Issuer's \$14,530,000 Miromar Lakes Community Development District (Lee County, Florida) Capital Improvement Revenue Bonds, Series 2000A (the "2000A Bonds") and its \$27,395,000 Miromar Lakes Community Development District Capital Improvement Revenue Bonds, Series 2000B (the "2000B Bonds") (the 2000A Bonds and the 2000B Bonds are collectively referred to as the "Bonds"). The Bonds are being issued pursuant to a Master Trust Indenture dated as of December 1, 2000 and a First Supplemental Trust Indenture, dated as of December 1, 2000 (collectively, the Master Trust Indenture and the First Supplemental Trust Indenture, the "Indenture"), between the Issuer and First Union National Bank of Florida (the "Trustee"). Capitalized terms not defined herein shall have the meaning ascribed thereto in the Indenture. For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Issuer and the Developer agree as follows:

SECTION 1. PURPOSE OF DISCLOSURE AGREEMENT. This Disclosure Agreement is being executed and delivered in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule"), and is for the benefit of the holders and Beneficial Owners (as defined in the Limited Offering Memorandum) of the Bonds.

SECTION 2. APPOINTMENT OF DISSEMINATION AGENT. The Issuer and the Developer hereby appoint the Issuer as the dissemination agent (the "Dissemination Agent") hereunder. The Issuer hereby accepts its appointment as Dissemination Agent and all of the obligations and responsibilities related thereto as described herein. The Issuer may, upon the giving of ten (10) days written notice to the Developer, appoint another Person to serve as Dissemination Agent hereunder. Any such Person appointed by the Issuer as Dissemination Agent hereunder shall acknowledge its duties set forth herein by a written acceptance delivered to the Issuer and the Developer.

SECTION 3. PROVISION OF DEVELOPER'S ANNUAL INFORMATION. So long as the Developer is the owner of at least 20% of the Project Lands (as defined in this Section 3), the Developer shall provide the following information to the Dissemination Agent on or before March 31 and September 30 of each year (unless otherwise specifically provided herein), commencing March 31, 2001, and the Dissemination Agent shall, within fifteen (15) days of its receipt thereof, provide such information to all of the nationally recognized municipal securities information repositories described in Section 8 hereby (the "NRMSIRs"), and to any state information depository that is established within the State of Florida (the "SID").

(A) if the Developer is required to file its audited financial statements with the Securities and Exchange Commission (the "SEC"), the Developer shall provide its audited

financial statements for the most recent Fiscal Year for which audited financial statements have been completed, within ten (10) Business Days after filing the same with the SEC;

(B) additional information relating to the Developer or the Development, as follows:

1. For all Project Lands:

a. Single Family lots

- (1) Estimation of total number of lots expected to be included within the Development upon full build-out;
- (2) Number of lots sold/parcels (closed) to persons or entities in the business of building or developing homes (hereinafter referred to as "Builders");
- (3) Number of lots sold (closed) to persons or entities that are not Builders (hereinafter referred to as "Non-Builders"); and
- (4) Number of homes (whether or not occupied) for which certificates of completion or certificates of occupancy have been issued (hereinafter referred to as "Completed Homes").

b. Multi-Family Units

- (1) Estimation of total number of units expected to be included within the Development upon full build-out;
- (2) Number of acres sold (closed) to Builders;
- (3) Number of units sold to Non-Builders; and
- (4) Number of units for which certificates of completion or certificates of occupancy have been issued (hereinafter referred to as "Completed Units") which are occupied.

c. Commercial Space

- (1) Estimation of total numbers of acres of commercial (that is, non residential) land expected to be included within the Development upon full build-out;
- (2) Acreage of commercial land sold (closed) by the Developer; and
- (3) Acreage of commercial land under agreement (sold but not closed) for sale by the Developer.

2. Materially adverse changes or determinations in permits/approvals for the Development that necessitate changes in the Developer's land use plan.

For purposes of this Disclosure Agreement, the term "Project Lands" means the lands within the District that are benefited by the 2000 Project and are subject to the Lien of the Series Assessments.

SECTION 4. PROVISIONS OF ISSUER'S ANNUAL INFORMATION. The Issuer shall provide the following information to the Dissemination Agent on or before March 31 and September 30 of each year, commencing March 31, 2001 and the Dissemination Agent shall, within fifteen (15) days of its receipt thereof, provide such information to all of the NRMSIRs and to the SID:

(A) audited financial statements of the Issuer for the most recent Fiscal Year for which audited financial statements have been completed, prepared in accordance with Generally Accepted Governmental Accounting Principles, as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Government Accounting Standards Board; and

(B) additional financial information and operating data relating to the Issuer and the Development, as follows:

1. balances in all Funds and Accounts established for the Bonds under the Indenture.
2. assessed value of Project Lands, if available; provided, however, that the Issuer may rely upon the records of the County Property Appraiser for such information.
3. the amount of Series Assessments to be levied on the Project Lands, as certified by the Issuer to the Tax Collector, during such Fiscal Year.
4. the amount of revenues collected in respect of Series Assessments levied on the Project Lands for the immediately preceding Fiscal Year.
5. the amount of delinquent Series Assessments in respect of Series Assessments during such Fiscal Year, if available.
6. the dollar amount of tax certificates in respect of Series Assessments during such Fiscal Year, if available.

7. debt service schedule for the remaining term of the Bonds.
8. percentage of Series 2000 Project that has been completed with proceeds of the Bonds as of such Fiscal Year.
9. materially adverse changes or determinations in permits/approvals relating to the Series 2000 Project.

SECTION 5. DEVELOPER'S OBLIGATION TO REPORT SIGNIFICANT EVENTS. So long as the Developer is the owner of at least 20% of the Project Lands, the Developer shall provide to the Dissemination Agent, on a timely basis, notice of any release, substitution, or sale of all or substantially all of the Project Lands not in the ordinary course of business (provided that the parties acknowledge and agree that the Developer is in the business of selling the Project Lands, and, accordingly, sales of less than 100 acres of land in the aggregate to the same person in any year will be presumed to be in the ordinary course of business). The Dissemination Agent shall promptly provide notice of the foregoing event to the NRMSIR, or the Municipal Securities Rulemaking Board (the "MSRB"), and to the SID.

The Developer may from time to time, in its discretion, choose to provide notice of the occurrence of certain other events to the Dissemination Agent, in addition to the foregoing, if, in the judgment of the Developer, such other events are material with respect to the Bonds, but the Developer specifically does not undertake to commit to provide any such additional notice of the occurrence of any material event except those events listed above. In the event the Developer provides such other notice to the Dissemination Agent, the Dissemination Agent shall promptly provide such notice to the NRMSIRs or the MSRB and to the SID as provided above. The Dissemination Agent shall promptly provide notice of the foregoing event to the NRMSIRs or the MSRB and to the SID.

SECTION 6. ISSUER'S OBLIGATION TO REPORT SIGNIFICANT EVENTS. The Issuer shall provide to the Dissemination Agent, on a timely basis, notice of any of the following events, if such event is material under applicable federal securities laws, and the Dissemination Agent shall promptly provide such notice to the NRMSIRs or the MSRB and to the SID:

- (a) principal and interest payment delinquencies on the Bonds;
- (B) the occurrence of any Event of Default under the Indenture (other than as described in (a) above);
- (C) unscheduled draws on a debt service reserve fund reflecting financial difficulties;

- (D) unscheduled draws on credit enhancement reflecting financial difficulties;
- (E) substitution of credit or liquidity providers, or their failure to perform;¹
- (F) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (G) any modification to the rights of Bondholders;
- (H) calls on the Bonds (other than mandatory sinking fund or extraordinary redemption);
- (I) defeasance of the Bonds;
- (J) release, substitution, or sale of any item of the Series 2000 Trust Estate to the extent described in Section 5 hereof;
- (K) rating changes;²
- (L) notice of any failure on the part of the Issuer to meet the requirements of Section 4 hereof.

The Issuer may from time to time, in its discretion, choose to provide notice of the occurrence of certain other events, in addition to those listed in this Section 6, if, in the judgment of the Issuer, such other events are material with respect to the Bonds, but the Issuer does not specifically undertake to commit to provide any additional notice of the occurrence of any material event except those events listed above.

Whenever the Issuer obtains knowledge of the occurrence of a significant event described in this Section 6, the Issuer shall as soon as possible determine if such event is material under the applicable federal securities laws, provided, that any event under clauses (D), (E), (F), (K), or (L) above will always be deemed to be material.

SECTION 7. ADDITIONAL DUTIES OF DISSEMINATION AGENT.

(a) Upon providing any of the information required in Sections 3 and 4 hereof to the NRMSIRs, the MSRB, or the SID, as the case may be, the Dissemination Agent shall provide the Developer and the Issuer within 15 days written notice setting forth a brief

¹Upon the initial issuance of the Bonds, there will not be any credit enhancement or liquidity facility in effect with respect to the Bonds.

²The Bonds will not be rated when issued.

description of the information provided, the date such information was provided, and to whom such information was provided.

(B) If the Dissemination Agent has not received the applicable annual information described in Sections 3 and 4 hereof from the Developer and the Issuer, respectively, on or prior to June 15, of any year, the Dissemination Agent shall notify the Developer or the Issuer, as applicable, to determine when such information is expected to be provided to the Dissemination Agent.

(C) Each year the Dissemination Agent shall determine, prior to the date upon which it is required to provide the annual information to the NRMSIRs and the SID pursuant to Sections 3 and 4 hereof, the name and address of each NRMSIR and SID.

SECTION 8. NRMSIRs. As of the date of this Disclosure Agreement, the NRMSIRs to which the Dissemination Agent shall provide the information described in Section 3, 4, 5, and 6 above, to the extent required, shall be the following organizations, their successors and assigns:

(A) Bloomberg Municipal Repositories
P. O. Box 840
Princeton, New Jersey 08542-0840
Phone: 609/279-3200
Fax: 690/279-5962
email: munis@bloomberg.com

(B) Thomson NRMSIR
Attn: Municipal Disclosure help@tdc
395 Hudson Street, Third Floor
New York, New York 10014
Phone: 212/807-5001
800/689-8466
Fax: 212/989-2078
Email: Disclosure@muller.com

(C) Kenny Information Systems, Inc.
65 Broadway, 16th Floor
New York, NY 10006
Attn: Kenny Repository Service
Phone: 212/770-4595
Fax: 212/797-7994

(D) DPC Data, Inc.
One Executive Drive
Fort Lee, NJ 07024
Phone: 201/346-0701
Fax: 201/947-0107
Email: NRMSIR@dpdata.com

(E) Any NRMSIRs that are established subsequent to the date of this Disclosure Agreement and approved by the Securities and Exchange Commission.

SECTION 9. NO EVENT OF DEFAULT; REMEDY FOR BREACH. This Disclosure Agreement shall be solely for the benefit of the holders and Beneficial Owners from time to time of the Bonds. Notwithstanding any other provision in the Indenture to the contrary, failure of the Developer, the Issuer or the Dissemination Agent to comply with the provisions of this Disclosure Agreement shall not be considered an Event of Default under the Indenture or any related bond document. The exclusive remedy for any breach of this Disclosure Agreement by any party hereto shall be limited, to the extent permitted by law, to a right of holders and Beneficial Owners, or the Trustee, to institute and maintain, or to cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by the Developer or the Issuer, as the case may be, of its obligations under this Disclosure Agreement. The Trustee may exercise any such rights and, if requested to do so by the holders of at least 51% in aggregate principal amount of the Bonds then outstanding, subject to the same conditions, limitations and procedures that would apply under Section 904 of the Indenture if the breach were an event of Default under the Indenture, the Trustee shall exercise such rights. Any holder or Beneficial Owner may exercise any such right. Holders and Beneficial Owners shall not be entitled to institute or maintain any such proceedings individually that assert a breach of this Disclosure Agreement that is based on the alleged inadequacy of any pertinent filing that has been made.

SECTION 10. INCORPORATION BY REFERENCE. Any or all of the information required herein to be disclosed may be incorporated by reference to documents, including official statements or debt issues of the Developer (or related public entities), or the issues of the Developer (or related public entities), or the Issuer, which have been submitted to each of the NRMSIRs, the SSRB, the SEC, or the SID. If the document incorporated by reference is a final official statement, it must be available from the MSRB. Such party shall clearly identify each document incorporated by reference.

SECTION 11. DISCHARGE; SUCCESSOR DISSEMINATION AGENTS. The Developer and the Issuer may discharge the Dissemination Agent at any time and for any reason upon ten (10) days prior written notice, with or without appointing a successor dissemination agent. Any successor Dissemination Agent shall acknowledge its duties set forth herein by a written acceptance delivered to the Issuer and the Developer. If at any time during which this Disclosure Agreement is in effect there is no acting Dissemination Agent, the Developer and the

Issuer shall provide the required information described herein directly to the NRMSIRs, the MSRB, and the SID in the manner and at the times in which it presently is required to provide such information to the Dissemination Agent.

SECTION 12. TERMINATION. The obligations of the parties under this Disclosure Agreement shall terminate upon (a) the defeasance, prior redemption or payment in full of all of the Bonds, (B) the termination of the continuing disclosure requirements of the Rule by legislative, judicial, or administration action, (C) in the case of the Dissemination Agent, upon receipt of notice of discharge as provided in Section 11 hereof, or (D) in the case of the Developer, when the Developer no longer is (i) the owner of at least 25% of the Project Lands or (ii) actively engaged in the development of the Project Lands.

SECTION 13. AMENDMENTS. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Developer may amend this Disclosure Agreement, and may waive any provision, if such amendment or waiver is supported by an opinion of counsel familiar with federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule, if such amendment or waiver had been effective on the date hereof but taking into account any subsequent amendment or official interpretation of the Rule.

SECTION 14. ADDITIONAL INFORMATION. Nothing in this Disclosure Agreement shall be deemed to prevent any party hereto from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in its annual information described herein or notice of occurrence of a significant event described herein, in addition to that which is required by this Disclosure Agreement. If any party chooses to include any information in its annual information or notice of occurrence of a significant event in addition to that which is specifically required by this Disclosure Agreement, such party shall have no obligation under this Disclosure Agreement to update such information or include it in its future annual information or notice of occurrence of a significant event.

SECTION 15. OBLIGATED PERSONS. If any person, other than the Issuer or the Developer, becomes an Obligated Person (as defined in the Rule) relating to the Bonds, the Issuer and the Developer shall use their best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person.

SECTION 16. NOTICES. Any notices required to be given under this Disclosure Agreement shall be given to the following addresses and telephone numbers (and such notices shall also be given to the Trustee at the address for notices to the Trustee set forth in the Indenture):

(a) As to the Issuer:

Miromar Lakes Community Development District
210 North University Drive, Suite 301
Coral Springs, Florida 33071
Attention: District Manager

With a copy thereof to District Counsel as follows:

Annis, Mitchell, Cockey, Edwards & Roehn, P.A.
One University Park, Suite 600
12800 University Drive
P.O. Box 60259 (zip 33906)
Fort Myers, Florida 33907

(b) As to the Developer:

Miromar Lakes, LLC
24810 Burnt Pine Drive
Suite 4
Bonita Springs, FL 34134
Attention: Jerry Schmoyer

(c) As to the Dissemination Agent:

Miromar Lakes Community Development District
210 North University Drive, Suite 301
Coral Springs, Florida 33071
Attention: District Manager

SECTION 17. INDEMNIFICATION OF DISSEMINATION AGENT. The Developer and the Issuer each further agree to indemnify and save the Dissemination Agent harmless, to the extent allowed by law, against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or misconduct.

SECTION 18. SOURCES OF PAYMENTS; EXTENT OF COVENANTS; NO PERSONAL LIABILITY. The Issuer shall be required to use only Maintenance Assessment Revenues (as defined below) to pay any costs and expenses to be incurred in the performance of this Disclosure Agreement by it or the Dissemination Agent, and the performance of its obligations hereunder shall be subject to the availability of Maintenance Assessment Revenues for that purpose. This Disclosure Agreement does not and shall not constitute a general obligation of the Issuer. All covenants, stipulations, obligations, and agreements of the Issuer

contained in this Disclosure Agreement are and shall be deemed to be covenants, stipulations, obligations, and agreements of the Issuer to the full extent authorized by law and the Florida Constitution. No covenant, stipulation, obligation, or agreement of the Issuer contained in this Agreement shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future officer, agent, or employee of the Issuer in other than that person's official capacity. For purposes of this Section 18, "Maintenance Assessment Revenues" means the proceeds of "special assessments" levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the Issuer under Section 190.021(3) of the Act.

SECTION 19. ASSIGNMENT. The Issuer and the Developer each may assign their respective obligations under this Disclosure Agreement only in connection with the assignment of its respective obligations under and in accordance with the provisions of any contractual commitment or other arrangement to support payment of all or any part of the Bonds; provided that neither the Issuer nor the Developer shall assign its obligations under this Disclosure Agreement so long as it remains an Obligated Person with respect to the Bonds and except to the assignee of its obligations under any such contractual commitment or other arrangement to support payment of the Bonds. The Issuer and the Developer each may assign its respective obligations under any such contractual commitment or other arrangement, without remaining primarily liable for the performance of those obligations, only if the assignee of the Issuer or the Developer, as the case may be, assumes the assignor's obligations under this Disclosure Agreement. Any assignment by the Issuer or the Developer of its obligations under this Disclosure Agreement shall not be effective unless and until the assignee shall have expressly assumed in writing, for the benefit of the holders and Beneficial Owners from time to time of the Bonds, the obligations of the Issuer or the Developer, as the case may be, under this Disclosure Agreement or enters into a new agreement for purposes of the Rule that is substantially similar to the undertaking of the Issuer or the Developer, as the case may be, under this Disclosure Agreement. If the Developer sells, assigns, or otherwise transfers, directly or indirectly, all of its interests with respect to the Project Lands or the Development, other than in the ordinary course of its business, the Developer shall make it a condition to such sale, assignment, or transfer that the buyer, assignee, or transferee assume all of the Developer's obligations hereunder.

SECTION 20. BENEFICIARIES. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Developer, the Trustee, and the holders and Beneficial Owners from time to time of the Bonds, and any official, employee, or agent thereof acting for and on its behalf, and shall not create any rights in any other person or entity.

SECTION 21. SEVERABILITY. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the

extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or a part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or a part thereof shall be deemed to be effective, operative, made, entered into, or taken in the manner and to the full extent permitted by law.

SECTION 22. COUNTERPARTS. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 23. GOVERNING LAW. This Disclosure Agreement shall be deemed to be an agreement made under the laws of the State of Florida and for all purposes shall be governed by and construed in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, the parties hereto have each caused this Disclosure Agreement to be executed by their duly authorized officers and appointed officials and their seals to be hereunder affixed and attested as of the ___ day of December, 2000.

**MIROMAR LAKES COMMUNITY
DEVELOPMENT DISTRICT**

(SEAL)

ATTEST:

By: _____
Secretary

By: _____
Chairman

MIROMAR LAKES, LLC
By: **Miromar Development Corp.,**
Managing Member

By: _____
Jerry Schmoyer, VP

