

In the opinion of Bond Counsel (hereinafter defined), under existing statutes, regulations, rulings and court decisions, and assuming compliance with the tax covenants described herein, interest on the Series 2015 Bonds (hereinafter defined) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Such interest, however, will be includable in the calculation of certain corporations' alternative minimum taxable income. See "TAX MATTERS" herein regarding certain other tax considerations. Bond Counsel is further of the opinion that the Series 2015 Bonds and interest thereon are not subject to 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.

\$19,165,000
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT
(LEE COUNTY, FLORIDA)
CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2015

Dated: Date of Delivery

Due: May 1, as shown below

The Miromar Lakes Community Development District Capital Improvement Revenue Refunding Bonds, Series 2015 (the "Series 2015 Bonds"), are being issued by the Miromar Lakes Community Development District (the "District" or "Issuer") only in fully registered form, without coupons, in denominations of \$5,000 or any integral multiple thereof. The Series 2015 Bonds will bear interest at the fixed rates set forth below, calculated on the basis of a 360-day year comprised of twelve 30-day months, payable semi-annually on each May 1 and November 1, commencing November 1, 2015. The Series 2015 Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC") of New York, New York. Purchases of beneficial interests in the Series 2015 Bonds will be made only in book-entry form. Accordingly, principal of and interest on the Series 2015 Bonds will be paid from the Series 2015 Pledged Revenues (as hereinafter defined) by U.S. Bank National Association, Fort Lauderdale, Florida, as trustee (the "Trustee") directly to DTC as the registered owner thereof. Disbursements of such payments to the DTC Participants (as hereinafter defined) is the responsibility of DTC and disbursements of such payments to the beneficial owners is the responsibility of DTC Participants and the Indirect Participants (as hereinafter defined), as more fully described herein. Any purchaser of a beneficial interest in a Series 2015 Bond must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Series 2015 Bond. See "DESCRIPTION OF THE SERIES 2015 BONDS - Book-Entry System" herein.

The Series 2015 Bonds are being issued to: (i) currently refund and redeem all of the outstanding principal amount of the District's Capital Improvement Revenue Bonds, Series 2003A (the "Refunded Bonds"), (ii) pay certain costs associated with the issuance of the Series 2015 Bonds, and (iii) make a deposit into the Series 2015 Reserve Account for the benefit of all of the Series 2015 Bonds. See "PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The District is a local unit of special purpose government of the State of Florida (the "State"), created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and was established by Lee County, Florida (the "County") by Ordinance No. 00-17 enacted on September 19, 2000, as amended by Ordinance No. 10-22 enacted by the County on April 17, 2010 (collectively, the "Ordinance"). The Series 2015 Bonds are being issued pursuant to the Act, Resolution No. 2000-12 and Resolution No. 2015-02 adopted by the Board of Supervisors (the "Board") of the District on September 19, 2000 and December 11, 2014, respectively (collectively, the "Bond Resolution") and a Master Trust Indenture, dated as of December 1, 2000, as supplemented by a Fourth Supplemental Trust Indenture dated as of February 1, 2015 (collectively the "Indenture"), by and between the District and the Trustee. The Series 2015 Bonds are equally and ratably secured by the Series 2015 Trust Estate, without preference or priority of one Series 2015 Bond over another. The Series 2015 Trust Estate consists of the revenues derived by the District from the Series 2015 Assessments (as hereinafter defined) (the "Series 2015 Pledged Revenues") and the Funds and Accounts (except for the Series 2015 Rebate Account) established under the Fourth Supplemental Indenture (the "Series 2015 Pledged Funds and Accounts"). The "Series 2015 Assessments" are the Assessments imposed, levied and collected by the District with respect to property specially benefited by the 2003A Project (as hereinafter defined), as supplemented with respect to the Series 2015 Bonds. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2015 BONDS" herein.

The Series 2015 Bonds are subject to optional, mandatory sinking fund and extraordinary mandatory redemption prior to maturity. See "DESCRIPTION OF THE SERIES 2015 BONDS - Redemption Provisions" herein.

NEITHER THE SERIES 2015 BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THE SERIES 2015 BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE AUTHORIZING THE ISSUANCE OF THE SERIES 2015 BONDS. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2015 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2015 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2015 PLEDGED REVENUES AND THE SERIES 2015 PLEDGED FUNDS AND ACCOUNTS PLEDGED TO THE SERIES 2015 BONDS, ALL AS PROVIDED IN THE INDENTURE AND IN THE SERIES 2015 BONDS.

The Series 2015 Bonds involve a degree of risk (see "BONDOWNERS' RISKS" herein) and are not suitable for all investors (see "SUITABILITY FOR INVESTMENT" herein). The Series 2015 Bonds are not credit enhanced or rated and no application has been made for a rating with respect to the Series 2015 Bonds.

This cover page contains information for quick reference only. It is not a summary of the Series 2015 Bonds. Investors must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE

Term Bonds

\$3,265,000 – 3.500% Series 2015 Term Bond due May 1, 2020, Yield 3.700%, Price 99.057 – CUSIP # 604710 AF0*
\$6,995,000 – 5.000% Series 2015 Term Bond due May 1, 2028, Yield 4.500%, Price 104.047 – CUSIP # 604710 AG8*
\$8,905,000 – 5.000% Series 2015 Term Bond due May 1, 2035, Yield 5.120%, Price 98.492 – CUSIP # 604710 AH6*

The Series 2015 Bonds are offered for delivery when, as and if issued by the District and subject to the receipt of the approving legal opinion of Nabors, Giblyn & Nickerson, P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Coleman, Yovanovich & Koester, P.A., Naples, Florida and for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida. It is expected that the Series 2015 Bonds will be delivered in book-entry form through the facilities of DTC on or about February 19, 2015.

FMSBonds

Dated: February 10, 2015

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

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

BOARD OF SUPERVISORS

Michael Hendershot, Chairman
Dr. David Herring, Vice-Chairperson
Douglas Ballinger, Assistant Secretary
Burnett W. Donoho, Assistant Secretary
Alan Refkin, Assistant Secretary

DISTRICT MANAGER

JPWard & Associates, LLC
Wilton Manors, Florida

DISTRICT COUNSEL

Coleman, Yovanovich & Koester, P.A.
Naples, Florida

BOND COUNSEL

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

UNDERWRITER'S COUNSEL

GrayRobinson, P.A.
Tampa, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DISTRICT. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OF THE SERIES 2015 BONDS AND THERE SHALL BE NO OFFER, SOLICITATION, OR SALE OF THE SERIES 2015 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 PUBLIC DOCUMENTS, RECORDS AND OTHER SOURCES, WHICH SOURCES ARE BELIEVED TO BE RELIABLE BUT WHICH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF, THE UNDERWRITER NAMED ON THE COVER PAGE OF THIS LIMITED OFFERING MEMORANDUM. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN CONTAINED ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT OR THE DEVELOPER (AS HEREINAFTER DEFINED) OR THE STATUS OF THE COMMUNITY (AS HEREINAFTER DEFINED) OR THE 2003A PROJECT (AS HEREINAFTER DEFINED) SINCE THE DATE HEREOF.

THE SERIES 2015 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2015 BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF ANY JURISDICTIONS WHEREIN THESE SECURITIES HAVE BEEN OR WILL BE REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THE DISTRICT, THE COUNTY, THE STATE OF FLORIDA NOR ANY OTHER POLITICAL SUBDIVISIONS THEREOF HAVE GUARANTEED OR PASSED UPON THE MERITS OF THE SERIES 2015 BONDS, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM.

“FORWARD-LOOKING STATEMENTS” ARE USED IN THIS DOCUMENT BY USING FORWARD LOOKING WORDS SUCH AS “MAY,” “WILL,” “SHOULD,” “INTENDS,” “EXPECTS,” “BELIEVES,” “ANTICIPATES,” “ESTIMATES,” OR OTHERS. THE READER IS CAUTIONED THAT FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A VARIETY OF UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THE PROJECTED RESULTS. THOSE RISKS AND UNCERTAINTIES INCLUDE GENERAL ECONOMIC AND BUSINESS CONDITIONS, CONDITIONS IN THE FINANCIAL MARKETS AND REAL ESTATE MARKET, THE DISTRICT’S COLLECTION OF ASSESSMENTS, AND VARIOUS

OTHER FACTORS WHICH MAY BE BEYOND THE DISTRICT'S CONTROL. BECAUSE THE DISTRICT CANNOT PREDICT ALL FACTORS THAT MAY AFFECT FUTURE DECISIONS, ACTIONS, EVENTS, OR FINANCIAL CIRCUMSTANCES, WHAT ACTUALLY HAPPENS MAY BE DIFFERENT FROM WHAT IS INCLUDED IN FORWARD-LOOKING STATEMENTS.

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

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LIMITED OFFERING MEMORANDUM

\$19,165,000

**MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT
(LEE COUNTY, FLORIDA)
CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2015**

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices attached hereto, is to set forth certain information in connection with the offering for sale by the Miromar Lakes Community Development District (the “District”) of its \$19,165,000 Capital Improvement Revenue Refunding Bonds, Series 2015 (the “Series 2015 Bonds”).

THE SERIES 2015 BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. PURSUANT TO APPLICABLE STATE LAW, THE UNDERWRITER IS LIMITING THIS INITIAL OFFERING OF THE SERIES 2015 BONDS TO ONLY ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. THE LIMITATION OF THE INITIAL OFFERING TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFER IN ANY SECONDARY MARKET FOR THE SERIES 2015 BONDS. POTENTIAL INVESTORS ARE SOLELY RESPONSIBLE FOR EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE SERIES 2015 BONDS. SEE “BONDOWNERS’ RISKS” AND “SUITABILITY FOR INVESTMENT” HEREIN.

The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the “Act”) and was established by Lee County, Florida (the “County”) by Ordinance No. 00-17 enacted on September 19, 2000, as amended by Ordinance No. 10-22 enacted by the County on April 17, 2010 (collectively, the “Ordinance”). The District was established for the purpose of financing the acquisition and construction of and managing the maintenance and operation of certain community development services and facilities within and without its boundaries. For more complete information about the District, its Board of Supervisors and the District Manager, see “THE DISTRICT” herein.

The Series 2015 Bonds are being issued pursuant to the Act, a Master Trust Indenture dated as of December 1, 2000 (the “Master Indenture”), as supplemented by a Fourth Supplemental Trust Indenture dated as of February 1, 2015 (the “Fourth Supplemental Indenture” and, together with the Master Indenture, the “Indenture”) by and between the District and U.S. Bank National Association, as trustee (the “Trustee”), and Resolution No. 2000-12 and Resolution No. 2015-02, adopted by the Board of Supervisors (the “Board”) of the District on September 19, 2000 and December 11, 2014, respectively (collectively, the “Bond Resolution”).

All capitalized terms used in this Limited Offering Memorandum that are defined in the Indenture and not defined herein shall have the respective meanings set forth in the Indenture. See “APPENDIX A – COPY OF MASTER TRUST INDENTURE AND PROPOSED FORM OF FOURTH SUPPLEMENTAL TRUST INDENTURE” hereto.

The Series 2015 Bonds are being issued to: (i) currently refund and redeem all of the outstanding principal amount of the District's Capital Improvement Revenue Bonds, Series 2003A (the "Refunded Bonds"), (ii) pay certain costs associated with the issuance of the Series 2015 Bonds, and (iii) make a deposit into the Series 2015 Reserve Account for the benefit of all of the Series 2015 Bonds. See "PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES" herein.

The Series 2015 Bonds are equally and ratably secured by the Series 2015 Trust Estate, without preference or priority of one Series 2015 Bond over another. The Series 2015 Trust Estate consists of the revenues derived by the District from the Series 2015 Assessments (as hereinafter defined) (the "Series 2015 Pledged Revenues") and the Funds and Accounts (except for the Series 2015 Rebate Account) established under the Fourth Supplemental Indenture (the "Series 2015 Pledged Funds and Accounts"). The "Series 2015 Assessments" are the Assessments imposed, levied and collected by the District with respect to the property specially benefited by the 2003A Project (as more particularly described in the Indenture, the "2003A Project"), as supplemented with respect to the Series 2015 Bonds. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2015 BONDS" herein. The Refunded Bonds (as defined herein) were one of a series of the District's bonds validated by a Final Judgment of the Twentieth Judicial Circuit in and for the County, issued November 6, 2000 and the period during which an appeal could be taken from that judgment expired with no appeal having been filed.

The District contains a total of approximately 972.2 acres of land (the "District Lands") and is located in an unincorporated area of the County. Located within the District is the Miromar Lakes Beach and Golf Club (the "Community"). The Series 2015 Assessments securing the Series 2015 Bonds are levied on the same portion of the District Lands as the Refunded Bonds, which were secured by the Series 2003A Assessments (the "Assessment Area"). The Assessment Area contains approximately 280 acres of land that is planned for 760 residential units, 100 commercial units and a golf course. For more information regarding the District, the Community and the Assessment Area, see "THE DISTRICT" and "THE DEVELOPMENT" herein.

There follows in this Limited Offering Memorandum a brief description of the District and the Community, and summaries of the terms of the Series 2015 Bonds, the Indenture and certain provisions of the Act. All references herein to the Indenture and the Act are qualified in their entirety by reference to such documents and statute, and all references to the Series 2015 Bonds are qualified by reference to the definitive form thereof and the information with respect thereto contained in the Indenture. A copy of the Master Indenture and the form of the Fourth Supplemental Indenture appear as APPENDIX A hereto.

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

PLAN OF REFUNDING

The District intends to use the proceeds of the Series 2015 Bonds to refund the District's existing Capital Improvement Revenue Bonds, Series 2003A (the "Refunded Bonds"), in order to achieve a debt service savings for the District. The Refunded Bonds are outstanding as of the date hereof in the principal amount of \$22,890,000; however, prior to the closing date for the Series 2015 Bonds, the Developer (as hereinafter defined) anticipates making a payment in the amount of \$3,700,000 as a result of a decrease in the number of planned units located on the property specially benefited by the 2003A Project, which payment will be treated as a Prepayment of the Series 2003A Assessments and will reduce the remaining outstanding principal amount of the Refunded Bonds to \$19,190,000. A more detailed description of the use of proceeds of the Series 2015 Bonds is included herein under "ESTIMATED SOURCES AND USES OF FUNDS."

To effect the refunding of the Refunded Bonds, the District will enter into an escrow deposit agreement (the “Escrow Agreement”) with U.S. Bank National Association, as escrow agent (the “Escrow Agent”). Pursuant to the terms of the Escrow Agreement, the District will deposit with the Escrow Agent and the Escrow Agent will irrevocably deposit to a special trust fund created under the Escrow Agreement (the “Escrow Deposit Trust Fund”) a portion of the proceeds of the Series 2015 Bonds, together with other available moneys of the District, which such deposit will be held and distributed in accordance with the terms of the Escrow Agreement. Such Series 2015 Bond proceeds and other District monies on deposit in the Escrow Deposit Trust Fund are expected to be sufficient to pay the principal of, redemption premium, if any, and interest on the Refunded Bonds through the redemption date of May 1, 2015. Upon execution and delivery of the Escrow Agreement, the direction to give certain notices as required under the Indenture with respect to the Refunded Bonds and the deposit of such proceeds into the Escrow Deposit Trust Fund, all as provided in the Escrow Agreement, then in reliance on the verification report of Causey Demgen & Moore Inc., independent certified public accountants, described under “VERIFICATION OF MATHEMATICAL COMPUTATIONS” in this Official Statement, the Refunded Bonds will no longer be Outstanding under the documents governing the issuance of the Refunded Bonds, and the Owners of the Refunded Bonds shall be restricted exclusively to the funds so deposited in the Escrow Deposit Trust Fund for any claims of whatsoever nature with respect to the Refunded Bonds. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS” herein.

AMOUNTS HELD UNDER THE ESCROW AGREEMENT WILL NOT BE AVAILABLE TO PAY PRINCIPAL AND INTEREST ON THE SERIES 2015 BONDS.

DESCRIPTION OF THE SERIES 2015 BONDS

General Description

The Series 2015 Bonds are issuable only as fully registered bonds without coupons in current interest form in denominations of \$5,000 or any integral multiple thereof. Each Series 2015 Bond shall be dated the date of initial issuance and delivery. Each Series 2015 Bond also shall bear its date of authentication. Each Series 2015 Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the dated date thereof, on May 1 and November 1 of each year, commencing November 1, 2015, until payment of the principal sum thereof has been made or provided for. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The Series 2015 Bonds will mature, subject to the redemption provisions set forth below, on the dates and in the amounts set forth on the cover page hereof.

The Series 2015 Bonds will be initially issued in the form of a separate single fully registered certificate for each maturity of the Series 2015 Bonds. Upon initial issuance, the ownership of the Series 2015 Bonds will be registered in the registration books of the District kept by the Bond Registrar in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”) of New York, New York, the initial bond depository. With respect to Series 2015 Bonds registered 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 Direct Participant or to any Indirect Participant (as defined herein). 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 Participant with respect to any ownership interest in the Series 2015 Bonds, (ii) the delivery to any Participant or any other person other than an Owner, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the Series 2015 Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than an Owner, as shown in the registration books kept by the Bond Registrar, of any amount with respect to principal of, premium, if any, or interest on the Series 2015 Bonds. The Indenture provides that the District, the

Trustee, the Bond Registrar and the Paying Agent shall treat and consider the person in whose name each Series 2015 Bond is registered in the registration books kept by the Bond Registrar as the absolute Owner thereof for the purpose of payment of principal, premium and interest with respect to such Series 2015 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2015 Bond, for the purpose of registering transfers with respect to such Series 2015 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2015 Bonds only to or upon the order of the respective Owners, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2015 Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books kept by the Bond Registrar, shall receive a certificated Series 2015 Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to the provisions of the Indenture. 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 of the Indenture with respect to Record Dates, the words "Cede & Co." in the Indenture shall refer to such new Nominee of DTC, and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Trustee, Bond Registrar and the Paying Agent.

Upon receipt by the Trustee or the District of written notice from DTC: (i) confirming that DTC has received written notice from the District to the effect that a continuation of the requirement that all of the Outstanding Series 2015 Bonds be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, is not in the best interest of the beneficial owners of the Series 2015 Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute Bond Depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, the Series 2015 Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, but may be registered in whatever name or names Owners transferring or exchanging the Series 2015 Bonds shall designate, in accordance with the provisions hereof. See "DESCRIPTION OF THE SERIES 2015 BONDS - Book-Entry System" herein.

U.S. Bank National Association is initially serving as the Trustee, Registrar and Paying Agent for the Series 2015 Bonds.

Redemption Provisions

Optional Redemption

The Series 2015 Bonds are subject to redemption prior to maturity on or after May 1, 2025 at the option of the District, in whole or in part, on a Redemption Date (less than all Series 2015 Bonds to be selected by lot) at the Redemption Price of the principal amount being redeemed, together with accrued interest to the date of redemption and without premium. "Redemption Date" shall mean, in the event that the Series 2015 Bonds are to be redeemed in part, any Interest Payment Date, and, in the event that the Series 2015 Bonds are to be redeemed as a whole, any date.

Mandatory Sinking Fund Redemption

The Series 2015 Term Bonds maturing May 1, 2020 are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2015 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the

Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>Year</u>	<u>Mandatory Sinking Fund Redemption Amount</u>
2016	\$610,000
2017	630,000
2018	650,000
2019	675,000
2020*	700,000

* Maturity

The Series 2015 Term Bonds maturing May 1, 2028 are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2015 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>Year</u>	<u>Mandatory Sinking Fund Redemption Amount</u>
2021	\$ 730,000
2022	765,000
2023	805,000
2024	850,000
2025	890,000
2026	935,000
2027	985,000
2028*	1,035,000

* Maturity

The Series 2015 Term Bonds maturing May 1, 2035 are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2015 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>Year</u>	<u>Mandatory Sinking Fund Redemption Amount</u>
2029	\$1,090,000
2030	1,145,000
2031	1,205,000
2032	1,265,000
2033	1,330,000
2034	1,400,000
2035*	1,470,000

* Maturity

Any Series 2015 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. Amortization Installments are also subject to recalculation, as provided in the Indenture, as the result of the redemption of the Series 2015 Bonds other than from scheduled Amortization Installments so as to re-amortize the remaining Outstanding principal balance of the Series 2015 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term thereof.

Extraordinary Mandatory Redemption

The Series 2015 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole or in part on a Redemption Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption from amounts transferred to the Series 2015 Prepayment Subaccount of the Series 2015 Redemption Account in accordance with the terms of the Indenture, and on the date on which the amounts on deposit in the Series 2015 Reserve Account together with other moneys available therefor are sufficient to pay and redeem all of the Series 2015 Bonds then Outstanding, including accrued interest thereon.

Notice of Redemption

Notice of each redemption of Series 2015 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date to each registered Owner of Series 2015 Bonds to be redeemed at the address of such registered Owner recorded on the bond register maintained by the Bond Registrar.

The Indenture provides that notice of redemption (including both optional and extraordinary mandatory redemption) may be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of redemption and may also be subject to rescission by the District if expressly set forth in such notice.

Purchase of Series 2015 Bonds

The District may purchase Series 2015 Bonds then Outstanding at any time, whether or not such Series 2015 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 the Series 2015 Bonds plus the amount of the premium, if any, which would be payable on the next redemption date to the Owners of such Series 2015 Bonds under the provisions of the Indenture if the Series 2015 Bonds were called for redemption on such date.

Book-Entry System

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2015 Bonds. The Series 2015 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2015 Bond certificate will be issued for each Series 2015 Bond, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York

Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s highest rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2015 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2015 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2015 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2015 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2015 Bonds, except in the event that use of the book-entry system for the Series 2015 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2015 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2015 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2015 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2015 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2015 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2015 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2015 Bond documents. For example, Beneficial Owners of Series 2015 Bonds may wish to ascertain that the nominee holding the Series 2015 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2015 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 any other DTC nominee) will consent or vote with respect to the Series 2015 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2015 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2015 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent on 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 nor its nominee, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2015 Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2015 Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2015 Bond certificates will be printed and delivered to DTC.

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

SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2015 BONDS

General

NEITHER THE SERIES 2015 BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THE SERIES 2015 BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE AUTHORIZING THE ISSUANCE OF THE SERIES 2015 BONDS. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY

OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2015 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2015 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2015 PLEDGED REVENUES AND THE SERIES 2015 PLEDGED FUNDS AND ACCOUNTS PLEDGED TO THE SERIES 2015 BONDS, ALL AS PROVIDED IN THE INDENTURE AND IN THE SERIES 2015 BONDS.

The Series 2015 Trust Estate consists of the revenues derived by the District from the Series 2015 Assessments (the “Series 2015 Pledged Revenues”) and the Funds and Accounts (except for the Series 2015 Rebate Account) established under the Fourth Supplemental Indenture (the “Series 2015 Pledged Funds and Accounts”). The Series 2015 Assessments are the Assessments imposed, levied and collected by the District with respect to the property specially benefited by the 2003A Project, as supplemented with respect to the Series 2015 Bonds.

The Series 2015 Assessments consist of the non-ad valorem special assessments imposed, levied and collected by the District with respect to District Lands specially benefited by the 2003A Project or any portion thereof, pursuant to Section 190.022 of the Act, resolutions of the District adopted prior to delivery of the Series 2015 Bonds, as amended and supplemented from time to time, and assessment proceedings conducted by the District (the “Series 2015 Assessment Proceedings”). Non-ad valorem assessments are not based on millage and are not taxes, but can become a lien against the homestead as permitted in Section 4, Article X of the Florida State Constitution. The Series 2015 Assessments will constitute a lien against the land as to which the Series 2015 Assessments are imposed. See “ENFORCEMENT OF ASSESSMENT COLLECTIONS” herein.

As set forth in the Series 2015 Assessment Proceedings, the Series 2015 Assessments are levied, in an amount corresponding to the debt service on the Series 2015 Bonds, on the basis of benefit received within the District as a result of the 2003A Project and designated as such in the methodology report relating thereto. See “THE DEVELOPMENT – Taxes, Assessments and Fees” herein for the amount of Series 2015 Assessments by unit type. See also “ASSESSMENT METHODOLOGY” herein and APPENDIX D hereto for more information regarding the assessment methodology.

The District and/or other public entities may impose taxes or other special assessments on the same properties encumbered by the Series 2015 Assessments without the consent of the Owners of the Series 2015 Bonds. Additionally, the District currently imposes and expects to continue to impose certain non-ad valorem special assessments called maintenance assessments, which are of equal dignity with the Series 2015 Assessments, on the same lands upon which the Series 2015 Assessments are imposed, to fund the maintenance and operation of the District. See “BONDOWNERS’ RISKS” herein.

Additional Bonds

In the Indenture, the District will covenant and agree that so long as the Series 2015 Bonds are Outstanding, it will not issue any other Bonds or other debt obligations secured by the Series 2015 Assessments. Such covenant shall not prohibit the District from issuing refunding bonds. In addition, the District will covenant not to issue any other Bonds or other debt obligations secured by Assessments levied on assessable lands within the District which are also encumbered by the Series 2015 Assessments for any capital project unless the Series 2015 Assessments have been Substantially Absorbed. “Substantially Absorbed” is defined in the Indenture to mean the date when at least ninety percent (90%) of the principal portion of the Series 2015 Assessments have been assigned to residential units within the District that have each received a certificate of occupancy. The Trustee and the District may rely on a

certificate from the District Manager regarding such status of the residential units and the Series 2015 Assessments. Without the consent of any Bondowners, the District may levy Assessments or other non-ad valorem assessments on any lands subject to the Series 2015 Assessments in connection with Bonds or other obligations issued to finance renovations, repairs and/or rehabilitation of the 2003A Project.

Further, the lien of the Series 2015 Assessments overlaps and is co-equal with the lien of other assessments which may be imposed by the County, the State of Florida or other units of local government having assessment powers within the District and also to the lien of county, district and municipal taxes. See “BONDOWNERS’ RISKS” herein regarding taxes and other obligations of equal dignity and status with the Series 2015 Assessments.

Series 2015 Reserve Account

The Indenture establishes a Series 2015 Reserve Account within the Reserve Fund. The Series 2015 Reserve Account will, at the time of delivery of the Series 2015 Bonds, be funded in an amount equal to the Series 2015 Reserve Account Requirement. The “Series 2015 Reserve Account Requirement” shall mean fifty percent (50%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2015 Bonds, determined from time to time, as provided in the Indenture.

On the 45th day preceding each Redemption Date (or, if such day is not a Business Day, as such term is defined in the Indenture, on the first Business Day next preceding such day) (or on such later date determined by the Indenture for the transfer of funds for the extraordinary mandatory redemption of the Series 2015 Bonds), the Trustee shall recalculate the Series 2015 Reserve Account Requirement taking into account any redemptions to be made on the next succeeding Redemption Date, and transfer any excess on deposit in the Series 2015 Reserve Account, into the Series 2015 Prepayment Subaccount of the Series 2015 Redemption Account to be applied to the extraordinary mandatory redemption of the Series 2015 Bonds.

On the earliest date on which there is on deposit in the Series 2015 Reserve Account, sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2015 Bonds, together with accrued interest and redemption premium, if any, on such Series 2015 Bonds to the earliest date of redemption permitted in the Indenture, then the Trustee shall transfer the amount on deposit in the Series 2015 Reserve Account into the Series 2015 Prepayment Subaccount in the Series 2015 Redemption Account to pay and redeem all of the Outstanding Series 2015 Bonds on the earliest date permitted for redemption in the Indenture.

Notwithstanding any of the foregoing, amounts on deposit in the Series 2015 Reserve Account shall be used only for the purpose of making payments into the Series 2015 Interest Account and the Series 2015 Sinking Fund Account to pay debt service on the Series 2015 Bonds, when due, without distinction as to Series 2015 Bonds and without privilege or priority of one Series 2015 Bond over another, to the extent the moneys on deposit in such Accounts and available therefor are insufficient and for no other purpose, except as specified in the Indenture.

Deposit and Application of the Series 2015 Pledged Revenues

The District shall deposit Series 2015 Assessment Revenues with the Trustee as soon as practicable after receipt together with a written accounting setting forth the amounts of such Series 2015 Assessment Revenues in the following categories which shall be deposited by the Trustee into the Funds and Accounts under the Indenture as follows:

(i) Series 2015 Prepayment Principal which shall be deposited into the Series 2015 Prepayment Subaccount in the Series 2015 Redemption Account;

(ii) Series 2015 Delinquent Assessment Principal, which shall first be applied to restore the amount of any withdrawal from the Series 2015 Reserve Account to pay the principal of the Series 2015 Bonds, and the balance, if any, shall be deposited into the Series 2015 Sinking Fund Account;

(iii) Series 2015 Delinquent Assessment Interest, which shall first be applied to restore the amount of any withdrawal from the Series 2015 Reserve Account to pay the interest on Series 2015 Bonds, and, the balance, if any, deposited into the Series 2015 Revenue Account; and

(iv) all other Series 2015 Assessment Revenues, which shall be deposited into the Series 2015 Revenue Account.

On the 45th day preceding each Redemption Date (or if such 45th day is not a Business Day, on the Business Day next preceding such 45th day), or such later day as the Trustee shall determine will provide sufficient time to provide notice of extraordinary redemption as set forth in the Indenture, the Trustee shall determine the amount on deposit in the Series 2015 Prepayment Subaccount, and, if the balance therein is greater than zero, shall, if directed in writing by the District, transfer from the Series 2015 Revenue Account for deposit into the Series 2015 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to an integral multiple of \$5,000, and shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2015 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2015 Prepayment Subaccount in accordance with the provisions for extraordinary redemption of the Series 2015 Bonds set forth in the Indenture.

On May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall transfer amounts on deposit in the Series 2015 Revenue Account to the Funds and Accounts designated below in the following amounts and in the following order of priority:

FIRST, to the Series 2015 Sinking Fund Account, the amount if any equal to the difference between the Amortization Installments of all Series 2015 Term Bonds subject to mandatory sinking fund redemption on such May 1 and the amount already on deposit in the Series 2015 Sinking Fund Account not previously credited;

SECOND, from the Series 2015 Revenue Account to the Series 2015 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all Series 2015 Bonds then Outstanding on such May 1 or November 1 less any other amount already on deposit in the Series 2015 Interest Account not previously credited;

THIRD, to the Series 2015 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2015 Reserve Account Requirement with respect to the Series 2015 Bonds; and

FOURTH, the balance shall be retained in the Series 2015 Revenue Account.

Anything in the Indenture to the contrary notwithstanding, it shall not, a fortiori, constitute an Event of Default under the Indenture if the full amount of the foregoing deposits are not made due to an insufficiency of funds therefor.

On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction and the Trustee shall transfer from the Series 2015 Revenue Account to the Rebate Account established for the Series 2015 Bonds in the Rebate Fund in accordance with the Indenture, the amount due and owing to the United States, which amount shall be paid to the United States when due in accordance with the Tax Regulatory Covenants.

On or after each November 2, the balance on deposit in the Series 2015 Revenue Account on such November 2 shall be retained therein or transferred to the District at the written direction of the District to be used for any lawful purpose; provided, however, that on the date of such proposed transfer the amount on deposit in the Series 2015 Reserve Account in the Series 2015 Debt Service Reserve Fund shall be equal to the Series 2015 Reserve Account Requirement, and provided further that the Trustee shall not have actual knowledge (as described in the Indenture) of an Event of Default under the Indenture relating to any of the Series 2015 Bonds, including the payment of Trustee's fees and expenses then due.

Investments

Earnings on investments in all of the Funds and Accounts held as security for the Series 2015 Bonds shall be invested only in Series 2015 Investment Obligations. Earnings on investments in the Series 2015 Debt Service Accounts and the Subaccounts therein, the Series 2015 Costs of Issuance Account and the Series 2015 Redemption Account and the Subaccounts therein shall be deposited, as realized, to the credit of the Series 2015 Revenue Account and used for the purpose of such Account.

Earnings on investments in the Series 2015 Reserve Account shall be disposed of as follows:

(i) if there was no deficiency (as defined in the Indenture) in the Series 2015 Reserve Account as of the most recent date on which amounts on deposit in the Series 2015 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2015 Reserve Account since such date which have created a deficiency, then earnings on the Series 2015 Reserve Account shall be deposited into the Series 2015 Revenue Account and applied as provided for moneys on deposit therein; and

(ii) if as of the last date on which amounts on deposit in the Series 2015 Reserve Account were valued by the Trustee there was a deficiency (as defined in Indenture), or if after such date withdrawals have been made from the Series 2015 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2015 Reserve Account shall be deposited into the Series 2015 Reserve Account until the amount on deposit therein is equal to the Series 2015 Reserve Account Requirement, and then earnings on the Series 2015 Reserve Account shall be deposited into the Series 2015 Revenue Account and applied as provided for moneys on deposit therein.

Covenant to Levy the Series 2015 Assessments

The District has covenanted to levy Series 2015 Assessments for the payment of the Series 2015 Bonds in the manner prescribed in the Indenture and the Series 2015 Assessment Proceedings at times and in amounts as shall be necessary in order to pay when due the principal of and interest on the Series 2015 Bonds and to pay or cause to be paid the proceeds of the Series 2015 Assessments as received to the Trustee in accordance with the provisions of the Indenture.

If any Series 2015 Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the District shall be satisfied that any such Series 2015 Assessment is so irregular or defective that the same cannot be enforced or collected, or if the District shall have omitted to make such Series 2015 Assessment when it might have done so, the District has additionally covenanted

to either (i) take all necessary steps to cause a new Series 2015 Assessment to be made for the whole or any part of such improvement or against any property benefited by such improvement or (ii) in its sole discretion, make up the amount of such Series 2015 Assessment from legally available moneys. In case such subsequent assessment shall also be annulled, the District has covenanted to obtain and make other Series 2015 Assessments until a valid Series 2015 Assessment shall be made.

Prepayment of Series 2015 Assessments

Pursuant to the Series 2015 Assessment Proceedings, the owner of property subject to the Series 2015 Assessments may pay the remaining unpaid principal balance of such Series 2015 Assessments, plus certain interest to accrue, in whole at any time and in part one time.

Also pursuant to the terms of the Act and the Series 2015 Assessment Proceedings, unless otherwise waived by the landowners, the owner of property subject to the Series 2015 Assessments may pay the entire balance of the Series 2015 Assessments remaining due, without interest, at any time within thirty (30) days after the 2003A Project has been completed and the Board of Supervisors has adopted a resolution accepting the 2003A Project, as provided by Section 170.09, Florida Statutes (the "Option Expiration"). The District accepted the 2003A Project by a resolution adopted on January 8, 2015, so that the Option Expiration occurred on February 7, 2015. A majority of the lands within the District being assessed with respect to the 2003A Project are owned by the Developer, which will agree to waive its right to prepay the Series 2015 Assessments without interest prior to the Option Expiration. Of the 40 lots being assessed with respect to the 2003A Project which have been conveyed to individual residential end users, none has exercised the right to make this prepayment prior to the Option Expiration. Any Prepayment of Series 2015 Assessments could result in the extraordinary mandatory redemption of a portion of the Series 2015 Bonds as indicated under "DESCRIPTION OF THE SERIES 2015 BONDS - Redemption Provisions - Extraordinary Mandatory Redemption." The prepayment of Series 2015 Assessments does not entitle the owner of the property to a discount for early payment.

ENFORCEMENT OF ASSESSMENT COLLECTIONS

General

The primary source of payment for the Series 2015 Bonds is the Series 2015 Assessments imposed on certain lands in the District specially benefited by the 2003A Project pursuant to the Series 2015 Assessment Proceedings. See "ASSESSMENT METHODOLOGY" herein.

The determination, order, levy, and collection of Series 2015 Assessments must be done in compliance with procedural requirements and guidelines provided by State law. Failure by the District, the Lee County Tax Collector (the "Tax Collector") or the Lee County Property Appraiser (the "Property Appraiser") to comply with such requirements could result in delay in the collection of, or the complete inability to collect, Series 2015 Assessments during any year. Such delays in the collection of Series 2015 Assessments, or complete inability to collect Series 2015 Assessments, would have a material adverse effect on the ability of the District to make full or punctual payment of the debt service requirements on the Series 2015 Bonds. See "BONDOWNERS' RISKS." To the extent that landowners fail to pay the Series 2015 Assessments, delay payments, or are unable to pay the same, the successful pursuance of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2015 Bonds. The Act provides for various methods of collection of delinquent Series 2015 Assessments by reference to other provisions of the Florida Statutes. The following is a description of certain statutory provisions of assessment payment and collection procedures appearing in the Florida Statutes but is qualified in its entirety by reference to such statutes.

Alternative Uniform Tax Collection Procedure for Series 2015 Assessments

The Florida Statutes provide that, subject to certain conditions, non-ad valorem special assessments may be collected by using the uniform method (the “Uniform Method”) of collection. The Uniform Method of collection is available only in the event the District complies with statutory and regulatory requirements and enters into agreements with the Tax Collector and Property Appraiser providing for the Series 2015 Assessments to be levied and then collected in this manner. The District presently anticipates using the Uniform Method of collection with respect to the Series 2015 Assessments in accordance with the Indenture; provided, however, that the District is not required under the Indenture to employ the Uniform Method to collect the Series 2015 Assessments with respect to any tax parcel which has not been platted for its intended use and issued a separate tax parcel identification number prior to the date on which a tax roll is required to be certified to the Tax Collector. The District’s election to use a certain collection method with respect to the Series 2015 Assessments does not preclude it from electing to use another collection method in the future, subject, however, to the terms and provisions of the Indenture. See “Foreclosure” below with respect to collection of delinquent assessments not collected pursuant to the Uniform Method.

If the Uniform Method of collection is utilized, the Series 2015 Assessments will be collected together with County, special district, and other ad valorem taxes and non-ad valorem assessments, all of which will appear on the tax bill (also referred to as a “tax notice”) issued to each landowner in the District. The statutes relating to enforcement of ad valorem taxes and non-ad valorem assessments provide that such taxes and assessments become due and payable on November 1 of the year when assessed, or as soon thereafter as the certified tax roll is received by the Tax Collector, and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such taxes and assessments (including the Series 2015 Assessments, if any, being collected by the Uniform Method) are to be billed, and landowners in the District are required to pay all such taxes and assessments, without preference in payment of any particular increment of the tax bill, such as the increment owing for the Series 2015 Assessments. Upon any receipt of moneys by the Tax Collector from the Series 2015 Assessments, such moneys will be delivered to the District, which will remit such Series 2015 Assessments to the Trustee for deposit to the Series 2015 Revenue Account within the Revenue Fund, except that any Prepayments of Series 2015 Assessments shall be deposited to the Series 2015 Prepayment Subaccount within the Series 2015 Bond Redemption Account of the Bond Redemption Fund created under the Indenture and applied in accordance therewith.

All County, school and special district, including the District, ad valorem taxes, non-ad valorem special assessments, including the Series 2015 Assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on bonds, are payable at one time, except for partial payment schedules as may be provided by Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. In such cases, the tax Collector does not accept such partial payment and the partial payment is returned to the taxpayer. Therefore, in the event the Series 2015 Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item, would cause the Series 2015 Assessments to not be collected to that extent, which could have a significant adverse effect on the ability of the District to make full or punctual payment of the debt service requirements on the Series 2015 Bonds.

Under the Uniform Method, if the Series 2015 Assessments are paid during November when due or during the following three months, the taxpayer is granted a variable discount equal to 4% in November and decreasing one percentage point per month to 1% in February. Alternatively, pursuant to Section 197.222, Florida Statutes, taxpayers may elect to pay estimated taxes, including the Series 2015

Assessments, in quarterly payments on June 30, September 30, December 31 of the year levied and March 31 of the year following, in which case the first three payments receive discounts of 6%, 4.5% and 3% respectively. All unpaid taxes and assessments become delinquent on April 1 of the year following assessment. The Tax Collector is required to collect the ad valorem taxes and non-ad valorem special assessments on the tax bill prior to April 1 and, after that date, to institute statutory procedures upon delinquency to collect such taxes and assessments through the sale of "tax certificates," as discussed below. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process.

Neither the District nor the Underwriter can give any assurance to the holders of the Series 2015 Bonds (1) that the past experience of the Tax Collector with regard to tax and special assessment delinquencies is applicable in any way to the Series 2015 Assessments, (2) that future landowners and taxpayers in the District will pay such Series 2015 Assessments, (3) that a market may exist in the future for tax certificates in the event of sale of such certificates for taxable units within the District, and (4) that the eventual sale of tax certificates for real property within the District, if any, will be for an amount sufficient to pay amounts due under the Assessment Proceedings to discharge the lien of the Series 2015 Assessments and all other liens that are coequal therewith.

Collection of delinquent Series 2015 Assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the Series 2015 Assessments due. In the event of a delinquency in the payment of taxes and assessments on real property, the landowner may, prior to the sale of tax certificates, pay the total amount of delinquent ad valorem taxes and non-ad valorem assessments plus the cost of advertising and the applicable interest charge on the amount of such delinquent taxes and assessments. If the landowner does not act, the Tax Collector is required to attempt to sell tax certificates on such property to the person who pays the delinquent taxes and assessments owing, penalties and interest thereon and certain costs, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than 18%). Tax certificates are sold by public bid. If there are no bidders, the tax certificate is issued to the County. The County is to hold, but not pay for, the tax certificate with respect to the property, bearing interest at the maximum legal rate of interest (currently 18%). The Tax Collector does not collect any money if tax certificates are "struck off" (issued) to the County. 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 18% per annum and a fee. Proceeds from the sale of tax certificates are required to be used to pay taxes and assessments (including the Series 2015 Assessments), interest, costs and charges on the real property described in the certificate. The demand for such certificates is dependent upon various factors, which include the rate of interest that can be earned by ownership of such certificates and the underlying value of the land that is the subject of such certificates and which may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the property within the District may affect the demand for certificates and the successful collection of the Series 2015 Assessments, which are the primary source of payment of the Series 2015 Bonds. Legal proceedings under Federal bankruptcy law brought by or against a landowner who has not yet paid his or her property taxes or assessments would likely result in a delay in the sale of tax certificates.

Any tax certificate in the hands of a person other than the County may be redeemed and canceled, in whole or in part (under certain circumstances), at any time before a tax deed is issued or the property is placed on the list of lands available for sale, at a price equal to the face amount of the certificate or portion thereof together with all interest, costs, charges and omitted taxes due. Regardless of the interest rate actually borne by the certificates, persons redeeming tax certificates must pay a minimum interest rate of 5%, unless the rate borne by the certificates is zero percent. The proceeds of such a redemption are paid to the Tax Collector who transmits to the holder of the tax certificate such proceeds less service charges, and the certificate is canceled. Redemption of tax certificates held by the County is effected by purchase of such certificates from the County, as described in the preceding paragraph.

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

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

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

If there are no bidders at the public sale, the County may, at any time within ninety (90) days from the date of offering for public sale, purchase the land without further notice or advertising for a statutorily prescribed opening bid. After ninety (90) days have passed, any person or governmental unit may purchase the land by paying the amount of the opening bid. Ad valorem taxes and non-ad valorem assessments accruing after the date of public sale do not require repetition of the bidding process but are added to the minimum bid. Three years from the date of delinquency, unsold lands escheat to the County in which they are located and all tax certificates and liens against the property are canceled and a deed is executed vesting title in the governing board of such County.

Foreclosure

The following discussion regarding foreclosure is not applicable if the Series 2015 Assessments are being collected pursuant to the Uniform Method. In the event that the District, itself, directly levies and enforces, pursuant to Chapters 170 and 190, Florida Statutes, the collection of the Series 2015 Assessments levied on the land within the District, Chapter 170.10, Florida Statutes provides that upon

the failure of any property owner to pay all or any part of the principal of a special assessment, including a Series 2015 Special Assessment, or the interest thereon, when due, the governing body of the entity levying the assessment is authorized to commence legal proceedings for the enforcement of the payment thereof, including commencement of an action in chancery, commencement of a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or commencement of an action under Chapter 173, Florida Statutes relating to foreclosure of municipal tax and special assessment liens. Such a proceeding is in rem, meaning that it is brought against the land not against the owner. In light of the one-year tolling period required before the District may commence a foreclosure action under Chapter 173, Florida Statutes, it is likely the District would commence an action to foreclose in the same manner as the foreclosure of a real estate mortgage rather than proceeding under Chapter 173, Florida Statutes.

Enforcement of the obligation to pay Series 2015 Assessments and the ability to foreclose the lien of such Series 2015 Assessments upon the failure to pay such Series 2015 Assessments may not be readily available or may be limited as such enforcement is dependent upon judicial action which is often subject to discretion and delay.

BONDOWNERS' RISKS

There are certain risks inherent in an investment in bonds issued by a public authority or governmental body in the State and secured by special assessments. Certain of these risks are described in other sections of this Limited Offering Memorandum. Certain additional risks are associated with the Series 2015 Bonds offered hereby and are set forth below. Prospective investors in the Series 2015 Bonds should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Series 2015 Bonds and have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment. This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2015 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety for a more complete description of investment considerations relating to the Series 2015 Bonds.

1. As of the date of delivery of the Series 2015 Bonds, the Developer owns the vast majority of the lands within the Assessment Area (as hereinafter defined) that will be subject to the Series 2015 Assessments securing the Series 2015 Bonds. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2015 BONDS" herein. Payment of the Series 2015 Assessments is primarily dependent upon their timely payment by the Developer and the other future landowners in the District. See "THE DEVELOPER" herein. In the event of the institution of bankruptcy or similar proceedings with respect to the Developer or any other owner of benefited property, delays could occur in the payment of debt service on the Series 2015 Bonds as such bankruptcy could negatively impact the ability of: (i) the Developer and any other landowner to pay the Series 2015 Assessments; (ii) the Tax Collector to sell tax certificates in relation to such property with respect to the Series 2015 Assessments being collected pursuant to the Uniform Method; and (iii) the District to foreclose the lien of the Series 2015 Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of the Series 2015 Bonds under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by federal, state and local law and in the Indenture and the Series 2015 Bonds, including, without limitation, enforcement of the obligation to pay Series 2015 Assessments and the ability of the District to foreclose the lien of the Series 2015 Assessments if not being collected pursuant to the Uniform Method, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2015 Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted

before or after such delivery. The inability, either partially or fully, to enforce remedies available with respect to the Series 2015 Bonds could have a material adverse impact on the interest of the Owners thereof.

2. The principal security for the payment of the principal and interest on the Series 2015 Bonds is the timely collection of the Series 2015 Assessments. The Series 2015 Assessments do not constitute a personal indebtedness of the owners of the land subject thereto, but are secured by a lien on such land. There is no assurance that the owners will be able to pay the Series 2015 Assessments or that they will pay such Series 2015 Assessments even though financially able to do so. Beyond legal delays that could result from bankruptcy or other legal proceedings contesting an ad valorem tax or non-ad valorem assessment, the ability of the Tax Collector to sell tax certificates in regard to delinquent Series 2015 Assessments collected pursuant to the Uniform Method will be dependent upon various factors, including the interest rate which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates and which may be subject to sale at the demand of the certificate holder after two years. The assessment of the benefits received by the benefitted land within the District as a result of the 2003A Project is not indicative of the realizable or market value of the land, which value may actually be higher or lower than the assessment of benefits. To the extent that the realizable or market value of the lands benefitted by the 2003A Project is lower than the assessment of benefits, the ability of the Tax Collector to sell tax certificates relating to such land or the ability of the District to realize sufficient value from a foreclosure action to pay debt service on the Series 2015 Bonds may be adversely affected. Such adverse effect could render the District unable to collect delinquent Series 2015 Assessments, if any, and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of debt service on the Series 2015 Bonds.

3. The District is required to comply with statutory procedures in levying the Series 2015 Assessments. Failure of the District to follow these procedures could result in the Series 2015 Assessments not being levied or potential future challenges to such levy. District Counsel will, however, render a legal opinion as to the levy process and the enforceability of the Series 2015 Assessments. See “ENFORCEMENT OF ASSESSMENT COLLECTIONS” and “SECURITY FOR AND SOURCE OF PAYMENT FOR THE SERIES 2015 BONDS” herein.

4. The District has not granted, and may not grant under Florida law, a mortgage or security interest in the 2003A Project. Furthermore, the District has not pledged the revenues, if any, from the operation of the 2003A Project as security for, or a source of payment of, the Series 2015 Bonds. Neither has the District covenanted to establish rates, fees and charges for the 2003A Project at any specified levels. The Series 2015 Bonds are payable solely from, and secured solely by, the Series 2015 Trust Estate (which consists primarily of the Series 2015 Assessments). None of the landowners has any obligation to pay the Series 2015 Assessments. As described herein, the Series 2015 Assessments are an imposition against the land only. The recourse for the failure of any landowner to pay the Series 2015 Assessments is limited to the collection proceedings against the land as described herein. In the event the District were to attempt to foreclose on the lien of Series 2015 Assessments for any unpaid Series 2015 Assessments, the District would be required to pay off any outstanding tax certificates (which the District may not have funds for) or the owner of such tax certificates could foreclose on the same land the District foreclosed on which could negatively impact the ability of the District to make the full or punctual payment of debt service on the Series 2015 Bonds. See “ENFORCEMENT OF ASSESSMENT COLLECTIONS” herein for more information regarding tax certificates.

5. The District may have incomplete information concerning the Community. For example, the District has limited information concerning the condition of land in the Community, its suitability for future development and its value. Neither the District nor the Underwriter has obtained any appraisal on the property with the District. As such, an investor has no independent verification that the property that

will be assessed for the repayment of the Series 2015 Bonds will be of sufficient value to provide assurance that the Series 2015 Bonds will be paid should the property be sold to satisfy the debt. The successful sale of the residential and commercial units, once such units are built within the District, may be affected by unforeseen changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Developer. In addition, the development of the Community is subject to comprehensive federal, state and local regulations and future changes to such regulations which are beyond the control of the Developer. Approval is required from various public agencies in connection with, among other things, the design, nature and extent of planned improvements, both public and private, and construction of the infrastructure in accordance with applicable zoning, permitting, land use and environmental regulations. Failure to obtain any such approvals, or to obtain them in a timely manner, could delay or adversely affect the completion of the development of the Community or require changes to the Developer's current development plans. See "THE DEVELOPMENT – Development Approvals," and "– Environmental" herein for more information. Moreover, the Developer has the right to modify or change its plan for development of the Community, from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size and number of units to be developed, and may seek in the future, in accordance with and subject to the provisions of the Act, to contract or expand the boundaries of the District.

6. The willingness and/or ability of an owner of benefited land to pay the Series 2015 Assessments could be affected by the existence of other taxes and assessments imposed upon such property by the District, the County or any other local special purpose or general purpose governmental entities. County, school and special district taxes and special assessments, including the Series 2015 Assessments, along with existing operating and maintenance assessments and voter-approved ad valorem taxes levied to pay principal of and interest on debt, collected pursuant to the Uniform Method, are payable at one time and have equal lien status. Public entities such as the County whose boundaries overlap those of the District could, without the consent of the owners of the land within the District, impose additional taxes on the property within the District. The District may impose other special assessments on the same District Lands encumbered by the Series 2015 Assessments without the consent of the Owners of the Series 2015 Bonds. The District anticipates continuing to impose operating and maintenance assessments encumbering the same property encumbered by the Series 2015 Assessments.

7. The Series 2015 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2015 Bonds in the event an Owner thereof determines to solicit purchasers of the Series 2015 Bonds. Because the Series 2015 Bonds are being sold pursuant to exemptions from registration under applicable securities laws, no secondary market may develop and an owner may not be able to resell the Series 2015 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2015 Bonds may be sold. Such price may be lower than that paid by the current Owners of the Series 2015 Bonds, depending upon existing market conditions and other factors.

8. In addition to legal delays that could result from bankruptcy or legal proceedings contesting an ad valorem tax or non-ad valorem assessment, the ability of the District to enforce collection of delinquent Series 2015 Assessments will be dependent upon various factors, including the delay inherent in any judicial proceeding to enforce the lien of the Series 2015 Assessments and the value of the land which is the subject of such proceedings and which may be subject to sale. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2015 BONDS" herein. If the District has difficulty in collecting the Series 2015 Assessments, the Series 2015 Reserve Account could be rapidly depleted and the ability of the District to pay debt service could be materially adversely affected. In addition, during an Event of Default under the Indenture, the Trustee may withdraw moneys from the Series 2015 Reserve Account and such other Funds, Accounts and subaccounts created under the Indenture to pay its extraordinary fees and expenses incurred in connection with such Event of Default. If

in fact the Series 2015 Reserve Account is accessed for any purpose, the District does not have a designated revenue source for replenishing such account. Moreover, the District may not be permitted to re-assess real property then burdened by the Series 2015 Assessments in order to provide for the replenishment of the Series 2015 Reserve Account.

9. The value of the land within the District and the likelihood of timely payment of principal and interest on the Series 2015 Bonds could be affected by environmental factors with respect to the land in the District. Should the land be contaminated by hazardous materials, this could materially and adversely affect the value of the land in the District, which could materially and adversely affect the likelihood of the timely payment of the Series 2015 Bonds. At the time of the delivery of the Series 2015 Bonds, the District is not aware of any condition which currently requires, or is reasonably expected to require in the foreseeable future, investigation or remediation under any applicable federal, state or local governmental laws or regulations relating to the environment. Nevertheless, it is possible that hazardous environmental conditions could exist within the District and that such conditions could have a material and adverse impact upon the value of the benefited lands within the District, and no assurance can be given that unknown hazardous materials, protected animals, etc., do not currently exist or may not develop in the future whether originating within the District or from surrounding property. The District has not performed, nor has the District requested that there be performed on its behalf, any independent assessment of the environmental conditions within the District with the exception of certain environmental reports performed by the Developer at various times during its ownership of the District Lands.

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 was a potential for a petroleum contamination of the soil or groundwater in one portion of the Assessment Area, 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 Developer's purchase of the property, the seller agreed to perform a Phase II Audit and pay for any costs associated with the clean up. Subsequent thereto, the Developer engaged the services of Missimer International, Inc. to perform an Environmental Site Assessment update. That update, issued in 2000 prior to the closing on the Refunded Bonds, stated that, "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." That 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."

In November 2005, Camp Dresser & McKee, Inc., issued an update to the Environmental Site Assessment for a parcel known as the Peninsula Parcel, located in the southeastern portion of the Assessment Area just west of the area of concern identified by the W. Dexter Bender Audit. The 2005 update stated that it had found "no evidence that the environmental integrity of the ESA site [i.e., the Peninsula Parcel] has been adversely impacted from either on-site or off-site sources since the time of the November 2000 ESA Update to a degree that would warrant mitigation." In February 2014, Mayne Environmental Consultants, Inc., issued a new Phase I Environmental Site Assessment of the Peninsula Parcel. The 2014 report stated that the assessment "revealed no evidence of recognized environmental conditions" in the Peninsula Parcel. Neither the District nor the Developer has received any further

update to these environmental reports. See also “THE DEVELOPMENT – Environmental” for information regarding the reports obtained by the Developer.

10. If the District should commence a foreclosure action against a landowner for non-payment of the Series 2015 Assessments, such landowner may raise affirmative defenses to such foreclosure action which, although such affirmative defenses would likely be proven to be without merit, could result in delays in completing the foreclosure action. In addition, the District is required under the Indenture to fund the costs of such foreclosure. It is possible that the District will not have sufficient funds and will be compelled to request the Bondholders to allow funds on deposit under the Indenture to be used to pay the costs of the foreclosure action. Under the Internal Revenue Code of 1986, as amended (the “Code”), there are limitations on the amounts of Series 2015 Bond proceeds that can be used for such purpose.

11. Under Florida law, a landowner may contest the assessed valuation determined for its property which forms the basis of ad-valorem taxes such landowner must pay. During this contest period, the sale of a Tax Certificate under the Uniform Method will be suspended. If the Series 2015 Assessments are being collected along with ad valorem taxes pursuant to the Uniform Method, tax certificates will not be sold with respect to the Series 2015 Special Assessment even though the landowner is not contesting the amount of Series 2015 Special Assessment.

12. The Internal Revenue Service (the “IRS”) routinely examines bonds issued by state and local governments, including bonds issued by community development districts. Currently, the IRS is examining certain issues of bonds (for purposes of this subsection, the “Audited Bonds”) issued by Village Center Community Development District (“Village Center CDD”). Village Center CDD received a ruling dated May 30, 2013, in the form of a non-precedential technical advice memorandum (“TAM”) concluding that Village Center CDD is not a political subdivision for purposes of Section 103(a) of the Code because Village Center CDD was organized and operated to perpetuate private control and avoid indefinitely responsibility to an electorate, either directly or through another elected state or local government body. Such a conclusion would lead to the further conclusion that the interest on the Audited Bonds was not excludable from gross income of the owners of such bonds for federal income tax purposes, retroactive to the date of issuance of the Audited Bonds. Village Center CDD may settle the examination of the Audited Bonds or, if the IRS determines that the interest on the Audited Bonds is not excludable from gross income, Village Center CDD could file an administrative appeal within the IRS. It is not possible to predict when the IRS’s examination of the Audited Bonds will be concluded or what effect the outcome may have on the Audited Bonds.

Although the TAM is addressed to, and binding only on, the IRS and Village Center CDD in connection with the Audited Bonds, the IRS may commence additional audits of bonds issued by other community development districts on the same basis and may take the position that similar community development districts are not political subdivisions for purposes of Section 103(a) of the Code on this basis. Unlike Village Center, the District was formed with the intent that it would contain a sufficient number of residents to allow for a transition to control by a general electorate, and that intent has been realized as the Board is now comprised solely of resident electors. However, there can be no assurance that an audit by the IRS of the Series 2015 Bonds will not be commenced. The District has no reason to believe that any such audit will be commenced, or that any such audit, if commenced, would result in a conclusion of noncompliance with any applicable state or federal law. Bonds issued pursuant to the Indenture were validated and confirmed by a final judgment of the Circuit Court in and for the County in which it was determined, among other things, that the District has the authority under Florida law to issue bonds secured by revenues from special assessments levied and collected on lands within the District benefitting from projects and subject to assessment, that the purpose for which such bonds were issued is legal under Florida law and that the proceedings for the issuance of such bonds are fully authorized by

and in compliance with Florida law. The appeal period for this judgment has expired, and no appeal was filed.

Owners of the Series 2015 Bonds are advised that, if the IRS does audit the Series 2015 Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the Owners of the Series 2015 Bonds may have limited rights to participate in those proceedings. The commencement of such an audit could adversely affect the market value and liquidity of the Series 2015 Bonds until the audit is concluded, regardless of the ultimate outcome. In addition, in the event of an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2015 Bonds, it is unlikely the District will have available revenues to enable it to contest such determination or enter into a voluntary financial settlement with the IRS. Further, an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2015 Bonds would adversely affect the availability of any secondary market for the Series 2015 Bonds. Should interest on the Series 2015 Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2015 Bonds be required to pay income taxes on the interest received on such Series 2015 Bonds and related penalties, but because the interest rate on such Series 2015 Bonds will not be adequate to compensate Owners of the Series 2015 Bonds for the income taxes due on such interest, the value of the Series 2015 Bonds may decline.

THE INDENTURE DOES NOT PROVIDE FOR ANY ADJUSTMENT IN THE INTEREST RATE ON THE SERIES 2015 BONDS IN THE EVENT OF AN ADVERSE DETERMINATION BY THE IRS WITH RESPECT TO THE TAX-EXEMPT STATUS OF INTEREST ON THE SERIES 2015 BONDS. PROSPECTIVE PURCHASERS OF THE SERIES 2015 BONDS SHOULD EVALUATE WHETHER THEY CAN OWN THE SERIES 2015 BONDS IN THE EVENT THAT THE INTEREST ON THE SERIES 2015 BONDS BECOMES TAXABLE AND/OR THE DISTRICT IS EVER DETERMINED TO NOT BE A POLITICAL SUBDIVISION FOR PURPOSES OF THE CODE AND/OR SECURITIES ACT (AS HEREINAFTER DEFINED).

13. In addition to a possible determination by the IRS that the District is not a political subdivision for purposes of the Code, and regardless of the IRS determination, it is possible that federal or state regulatory authorities could also determine that the District is not a political subdivision for purposes of the federal and state securities laws. Accordingly, the District and purchasers of Series 2015 Bonds may not be able to rely on the exemption from registration under the Securities Act of 1933, as amended (the "Securities Act"), relating to securities issued by political subdivisions. In that event the Owners of the Series 2015 Bonds would need to ensure that subsequent transfers of the Series 2015 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act.

14. Various proposals are mentioned from time to time by members of the Congress of the United States of America and others concerning reform of the internal revenue (tax) laws of the United States. In addition, the IRS may, in the future, issue rulings that have the effect of changing the interpretation of existing tax laws. Certain of these proposals and interpretations, if implemented or upheld, could have the effect of diminishing the value of obligations of states and their political subdivisions, such as the Series 2015 Bonds, by eliminating or changing the tax-exempt status of interest on certain of such bonds. Whether any of such proposals will ultimately become or be upheld as law, and if so, the effect such proposals could have upon the value of bonds such as the Series 2015 Bonds, cannot be predicted. However, it is possible that any such law or interpretation could have a material and adverse effect upon the availability of a liquid secondary market and/or the value of the Series 2015 Bonds. See also "TAX MATTERS."

15. A recent bankruptcy court decision in Florida held that only the governing body of a community development district could vote to approve a reorganization plan submitted by the

developer/debtor in the case, and thus the bondholders of such district were not able to vote for or against the plan. The governing body of that district was affiliated with the debtor. As a result of the reorganization plan that was approved, the bondholders were denied payment of their bonds for more than two years.

16. It is impossible to predict what new proposals may be presented regarding ad valorem tax reform and/or community development districts during upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Florida Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. On November 4, 2014, the Auditor General of the State released a 31-page report which requests legislative action to establish parameters on the amount of bonds a community development district may issue and provide additional oversight for community development district bonds. This report renews requests made by the Auditor General in 2011 that led to the Governor of the State issuing an Executive Order on January 11, 2012 (the “Executive Order”) directing the Office of Policy and Budget in the Executive Office of the Governor (“OPB”) to examine the role of special districts in the State. As of the date hereof, the OPB has not made any recommendations pursuant to the Executive Order nor has the Florida legislature passed any related legislation. It is impossible to predict with certainty the impact that any existing or future legislation will or may have on the security for the Series 2015 Bonds. It should be noted that Section 190.16(14) of the Act provides in pertinent part that “The state pledges to the holders of any bonds issued under the Act that it will not limit or alter the rights of the district to levy and collect the ... assessments... and to fulfill the terms of any agreement made with the holders of such bonds ... and that it will not impair the rights or remedies of such holders.”

17. In the event a bank forecloses on property that is subject to the Series 2015 Assessments because of a default on the mortgage, and then the bank itself fails and the Federal Deposit Insurance Corporation (the “FDIC”) becomes its receiver, the FDIC will then become the fee owner of such property. In such event, the FDIC will not, pursuant to its own rules and regulations, likely be liable to pay the Series 2015 Assessments. In addition, the District would require the consent of the FDIC prior to commencing a foreclosure action.

This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2015 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety (inclusive of Appendices) for a more complete description of investment considerations relating to the Series 2015 Bonds.

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ESTIMATED SOURCES AND USES OF FUNDS

Source of Funds

Aggregate Principal Amount of Series 2015 Bonds	\$19,165,000.00
Net Bond Premium	118,011.30
Other Sources ⁽¹⁾	<u>5,530,968.14</u>
Total Sources	\$24,813,979.44

Use of Funds

Deposit to Escrow Fund	\$23,676,843.75
Deposit to Series 2015 Reserve Account	754,375.00
Costs of Issuance, including Underwriter's Discount ⁽²⁾	<u>382,760.69</u>
Total Uses	\$24,813,979.44

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- (1) Includes proceeds from Series 2003A Reserve Account, the Series 2003A Revenue Account and the Series 2003A Prepayment Subaccount; proceeds counted from the Series 2003A Prepayment Subaccount include the \$3,700,000 prepayment by the Developer to be made no later than the date of closing on the Series 2015 Bonds as a result of the Developer's reduction in the planned number of units within the Development.
- (2) Costs of issuance includes, without limitation, legal fees and other costs associated with the issuance of the Series 2015 Bonds.

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DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled debt service on the District's Series 2015 Bonds:

<u>Period Ending (November 1)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2015		636,492.50	636,492.50
2016	610,000	898,600.00	1,508,600.00
2017	630,000	876,900.00	1,506,900.00
2018	650,000	854,500.00	1,504,500.00
2019	675,000	831,312.50	1,506,312.50
2020	700,000	807,250.00	1,507,250.00
2021	730,000	776,750.00	1,506,750.00
2022	765,000	739,375.00	1,504,375.00
2023	805,000	700,125.00	1,505,125.00
2024	850,000	658,750.00	1,508,750.00
2025	890,000	615,250.00	1,505,250.00
2026	935,000	569,625.00	1,504,625.00
2027	985,000	521,625.00	1,506,625.00
2028	1,035,000	471,125.00	1,506,125.00
2029	1,090,000	418,000.00	1,508,000.00
2030	1,145,000	362,125.00	1,507,125.00
2031	1,205,000	303,375.00	1,508,375.00
2032	1,265,000	241,625.00	1,506,625.00
2033	1,330,000	176,750.00	1,506,750.00
2034	1,400,000	108,500.00	1,508,500.00
2035*	1,470,000	36,750.00	1,506,750.00
TOTALS	19,165,000	11,604,805.00	30,769,805.00

* Final maturity of the Series 2015 Bonds.

THE DISTRICT

General Information

The District is located in Lee County, Florida (the “County”) and presently consists of approximately 972 acres. It lies within Sections 10, 11, 12, 13, 14, 15 and 23, Township 46 South, Range 25 East and is located east of Interstate 75, south of Alico Road, and north of Florida Gulf Coast University and is bisected by Ben Hill Griffin Parkway. See “THE DEVELOPMENT” for more information regarding the development within the District.

Legal Powers and Authority

The District is an independent unit of local government created pursuant to and established in accordance with the Act. The County established the District on September 19, 2000, by Ordinance No. 00-17, as amended by Ordinance No. 10-22 enacted by the County on April 17, 2010 (collectively, the “Ordinance”). 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 finance the acquisition, construction, operation and maintenance of the major infrastructure for community development pursuant to its general law charter (Sections 190.006 through 190.041, Florida Statutes).

Among other provisions, the Act gives the District’s Board of Supervisors the authority to (a) plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems and facilities for: (i) water management and control for lands within the District and to connect any of such facilities with roads and bridges; (ii) water supply, sewer and waste-water management systems or any combination thereof and to construct and operate connecting intercept or outlet sewers and sewer mains and pipes and water mains, conduits, or pipelines in, along, and under any street, alley, highway, or other public place or ways, and to dispose of any effluent, residue, or other byproducts of such system or sewer system; (iii) District roads equal to or exceeding the specifications of the county in which such district roads are located and street lights; and (iv) with the consent of the local general-purpose government within the jurisdiction of which the power is to be exercised, (a) parks and facilities for indoor and outdoor recreational uses and security; (b) borrow money and issue bonds of the District; (c) impose and foreclose special assessments liens as provided in the Act; and (d) exercise all other powers, necessary, convenient, incidental or proper in connection with any of the powers or duties of the District stated in the Act.

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

The Act exempts all property owned by the District from levy and sale by virtue of an execution and from judgment liens, but does not limit the right of any owner of lands of the District to pursue any remedy for enforcement of any lien or pledge of the District in connection with its bonds, including the Series 2015 Bonds.

Board of Supervisors

The governing body of the District is its Board of Supervisors (the “Board”), which is composed of five Supervisors (the “Supervisors”). The Act provides that, at the initial meeting of the landowners, Supervisors must be elected by the landowners with the two Supervisors receiving the highest number of votes to serve for four years and the remaining Supervisors to serve for a two-year term. Three of the five Supervisors are elected to the Board every two years in November. At such election the two Supervisors

receiving the highest number of votes are elected to four-year terms and the remaining Supervisor is elected to a two-year term. Until the later of six (6) years after the initial appointment of Supervisors or the year in which there are at least 250 qualified electors in the District, or such earlier time as the Board may decide to exercise its ad valorem taxing power, the Supervisors are elected by vote of the landowners of the District. Ownership of the land within the District entitles the owner to one vote per acre (with fractions thereof rounded upward to the nearest whole number and, for purposes of determining voting interests, platted lots shall be counted individually and rounded up to the nearest whole acre and shall not be aggregated for determining the number of voting units held). Upon the later of six (6) years after the initial appointment of Supervisors or the year in which there are at least 250 qualified electors in the District, the Supervisors whose terms are expiring will be elected (as their terms expire) by qualified electors of the District, except as described below. A qualified elector is a registered voter who is at least eighteen years of age, a resident of the District and the State of Florida and a citizen of the United States. At the election where Supervisors are first elected by qualified electors, two Supervisors must be qualified electors and be elected by qualified electors, one to a four-year term and one to a two-year term. The other Supervisor will be elected by landowners for a four-year term. Thereafter, as terms expire, all Supervisors must be qualified electors and are elected to serve staggered terms. If there is a vacancy on the Board, whether as a result of the resignation or removal of a Supervisor or because no elector qualifies for a seat to be filled in an election, the remaining Board members are to fill such vacancy for the unexpired term.

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

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

The District’s Board is comprised solely of qualified electors. The current members of the Board and the expiration of the term of each member are set forth below:

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Michael Hendershot	Chairperson	2018
David Herring	Vice-Chairperson	2016
Douglas Ballinger	Assistant Secretary	2018
Burnett W. Donoho	Assistant Secretary	2016
Alan Refkin	Assistant Secretary	2018

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

The District Manager and Other Consultants

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

The District has retained JPWard & Associates, LLC to serve as the District Manager. The District Manager's office is located at 2041 NE 6 Terrace, Wilton Manors, Florida 33305, telephone number 954-658-4900.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, as Bond Counsel, Coleman, Yovanovich & Koester, P.A., Naples, Florida, as District Counsel and AJC Associates, Inc., Naples, Florida as Methodology Consultant. The District Manager will serve as the Dissemination Agent for the Series 2015 Bonds.

Outstanding Debt

The District has the following bonds outstanding: (i) its Refunded Bonds which are currently outstanding in the aggregate principal amount of \$22,890,000 and (ii) its \$12,345,000 Capital Improvement Revenue Refunding Bonds, Series 2012 (the "Series 2012 Bonds") which are currently outstanding in the aggregate principal amount of \$11,590,000. The Refunded Bonds were issued to finance the 2003A Project and the Series 2012 Bonds were issued to refund the District's previously outstanding Capital Improvement Revenue Bonds, Series 2000A, which, together with the District's Capital Improvement Revenue Bonds, Series 2000B (collectively, the "Series 2000 Bonds"), were issued to finance the District's 2000 Project.

The Series 2015 Bonds will be payable from the Series 2015 Assessments, which lands are not subject to the Series 2012 Assessments securing the Series 2012 Bonds. The Series 2012 Bonds are secured by assessments on District Lands not subject to the Series 2015 Assessments securing the Series 2015 Bonds.

The Developer is expected to make a prepayment in the amount of \$3,700,000 prior to the closing on the Series 2015 Bonds. After the prepayment, the remaining principal amount of Refunded Bonds outstanding will be approximately \$19,190,000. See "PLAN OF REFUNDING" herein for more information regarding the refunding of the Refunded Bonds and Appendix E for more information regarding the District's finances.

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The following information appearing below under the captions “THE DEVELOPMENT” and “THE DEVELOPER” has been furnished by the Developer for inclusion in this Limited Offering Memorandum and, although believed to be reliable, such information has not been independently verified by the District or its counsel, or the Underwriter or its counsel, and no person other than the Developer makes any representation or warranty as to the accuracy or completeness of such information supplied by it.

The following information is provided by the Developer as a means for the prospective bondholders to understand the anticipated development plan and risks associated with the Community. The Developer’s obligations to pay the Series 2015 Assessments are no greater than the obligation of any other landowner within the District subject to the Series 2015 Assessments. The Developer is not a guarantor of payment as to any land within the District and the recourse for the Developer’s failure to pay is limited to its ownership interests in the land subject to such unpaid Series 2015 Assessments.

THE DEVELOPMENT

General

The District was originally created to support a portion of the planned Miromar Lakes Beach & Golf Club community (the “Community”). The Community is located in an unincorporated portion of Lee County (the “County”) and is a gated resort-style community including single-family homes, villas, multi-family residences, and commercial property. The Community is located east of I-75 between Alico Road and Corkscrew Road and adjacent to Florida Gulf Coast University. Current plans for the Community have it being developed entirely within the District Lands, which contain approximately 972 acres, less approximately 39 acres of District Lands which are not part of the Community.

It is anticipated that the Community, when completed, will contain 1,920 residential dwelling units, including single-family homes, villas, and multi-family residences, as well as commercial space. The planned public infrastructure within the District has been completed and there are currently 1,086 residential units sold within the Community. The infrastructure includes access to over 700 acres of fresh water lakes in and adjacent to the Community, a Beach Club, Fitness Center with Spa, two swimming pools, a full-service Clubhouse, Tennis Club with seven courts, a marina, two Bocce courts and an Arthur Hills 18-hole signature golf course with Clubhouse. The total Community property has 605.6 net developable acres, all of which are within the District, plus a golf course on approximately 150 acres, which is within the District.

The Community lands within the District have been developed in two phases. Phase I of Miromar Lakes was developed with the proceeds of the District’s Series 2000 Bonds which were refunded in 2012, and Phase II of Miromar Lakes was developed with the proceeds of the District’s Refunded Bonds which were issued in 2003. The Developer has approximately 114 units remaining for sale in Phase I, out of 1,160 units total. Phase II, which is the portion of the District Lands currently secured by the Series 2003A Assessments, includes approximately 250 acres of land planned for 760 residential units and 30 acres of land planned for approximately 100 commercial units and a golf club and course. See “— Assessment Area” below for more information.

The Series 2015 Bonds will be secured by the Series 2015 Assessments, which will be allocated within the Assessment Area, which is a portion of the land within the District and the Community consisting of approximately 280 acres planned for 760 residential units, 100 commercial units and a golf course. See “— Assessment Area” below for more information.

Assessment Area

The Series 2015 Assessments securing the Series 2015 Bonds are levied on the same lands that were subject to the Series 2003A Assessments securing the Refunded Bonds (the “Assessment Area”); however, the Developer has decreased the number of planned units within the Assessment Area from 1,051 units to 861 units and, prior to closing, will make a corresponding density reduction payment. As lands within the Assessment Area are platted, the Series 2015 Assessments will be allocated to platted lots in accordance with the Assessment Methodology Report (as defined below). It is anticipated that the first 760 residential units, 100 commercial units and golf course will receive an apportionment of the total Series 2015 Assessments. Therefore, it is anticipated that some portions of the initial Assessment Area may, after platting, no longer be subject to the lien of the Series 2015 Assessments. A map of the Community showing the location of the initial Assessment Area prior to platting is set forth below, marked in blue.



The Developer recently completed land development in the Sorrento, Costa Amalfi, Salerno and Navona neighborhoods within the Assessment Area, which have collectively been platted for 66 lots. Forty of those lots have been sold to end users, and the Developer is actively marketing the remaining lots to builders and end users. The following table reflects the Developer's current expectations for the product types and prices for these four neighborhoods within the Assessment Area.

<u>Product Type</u>	<u>Home Square Footage</u>	<u>Expected Lot Prices</u>	<u>Expected Home Prices</u>
Sorrento (single family)	5,000	\$900,000	\$3,000,000
Costa Amalfi (villa)	3,000	\$350,000	\$1,200,000
Navona (villa)	2,500	\$325,000	\$1,200,000
Salerno (single family)	4,000	\$500,000	\$2,000,000

The Developer also anticipates commencing construction on the following three neighborhoods upon receipt of all required permits: Salerno II, which will include 22 single-family sites of approximately 85' x 150' expected to have an average lot price of \$525,000; Cassina, which will include 23 villa sites of approximately 55' x 180' expected to be sold to three builders at an average lot price of \$350,000; and Lugano, which will include 11 grand estate single-family sites of approximately 120' x 240' expected to have an average lot price of \$1,500,000. See " – Development Approvals" below. The expected product in the Assessment Area also includes additional single-family and villa lots, as well as both multi-family lots and commercial property. The following chart depicts the current status of the lots within the Assessment Area by product type:

<u>Description</u>	<u>Product Type</u>	<u>Existing Planned Units</u>	<u>Revised Planned Units⁽¹⁾</u>	<u>Units Sold To End Users</u>	<u>Existing 2003A Principal Per Unit</u>
Sorrento	SF 2	11	11	6	\$30,058.95
Salerno	SF 2	10	10	6	30,058.95
Salerno II / Lugano	SF 2	34	33	0	30,058.95
Future Resort Village	SF 2	<u>14</u>	<u>24</u>	<u>0</u>	30,058.95
Total Single Family		69	78	12	
Costa Amalfi	Villa 1	16	16	14	\$16,738.73
Navona	Villa 2	18	18	14	22,314.28
Cassina	Villa 2	0	23	0	
Future Resort Village	Villa 2	<u>84</u>	<u>61</u>	<u>0</u>	22,314.28
Total Villa		118	118	28	
Tract MM	MF 2	24	24	0	\$16,748.72
Future Sales Center	MF 2	27	27	0	16,748.72
Future Peninsula	MF 2	120	40	0	16,748.72
Future Resort Village	MF 2	284	240	0	16,748.72
Tract B	MF 2	150	150	0	16,748.72
Tract D	MF 2	<u>83</u>	<u>83</u>	<u>0</u>	16,748.72
Total Multifamily		688	564	0	
Golf Club & Course	Commercial	1	1	N/A	\$2,332,191.95
Tract B	Commercial	75	75	0	\$25,238.55
Future Resort Village	Commercial	<u>100</u>	<u>25</u>	<u>0</u>	25,238.55
Total Commercial ⁽²⁾		<u>175</u>	<u>100</u>	<u>0</u>	
Total		1,051	861	40	

(1) The Developer anticipates making a prepayment of \$3,700,000 prior to the closing date on the Series 2015 Bonds, which will reflect a reduction in the proposed density for the Assessment Area.

(2) Rounded to the nearest equivalent residential unit.

Approximately 8% of the Series 2003A Assessments are currently levied on platted and developed land. Approximately 8% of the Series 2003A Assessments are on the tax roll. The chart below sets forth the proposed lien allocation for the Series 2015 Bonds:

<u>Product Type</u>	<u>Units</u>	<u>2003A Par</u>	<u>2003A Per Unit*</u>	<u>2015 Par</u>	<u>2015 Per Unit*</u>
Single Family 2	78	\$2,344,597.72	\$30,058.95	\$2,341,543.35	\$30,019.79
Villa 1	16	267,819.60	16,738.73	267,470.71	16,716.92
Villa 2	102	2,276,056.53	22,314.28	2,273,091.45	22,285.21
Multi-Family 2	564	9,446,277.18	16,748.72	9,433,971.24	16,726.90
Golf Club	1	2,332,191.95	2,332,191.95	2,329,153.74	2,329,153.74
Commercial**	100	2,523,057.02	25,238.55	2,519,769.52	25,205.67
Total	861	\$19,190,000.00		\$19,165,000.00	

* Per unit assessments include early payment discount.

** Rounded to the nearest equivalent residential unit.

Based upon information obtained from the Lee County Property Appraiser and the District, the assessed value for the vacant/unplatted lots currently reflects agricultural exemptions. The unimproved land value is estimated at \$16 million; however, this valuation is not equal to the fair market value of the land due to the existing agriculture exemptions. The platted improved multi-family units are currently assessed at an average of \$300,000, and single-family units are assessed at an average of \$700,000. For comparison purposes, Phase I of Miromar Lakes, with 1,160 residential units, has a total assessed value of over \$400,000,000. See "BONDOWNERS' RISKS" herein.

Taxes, Assessments and Fees

Each homeowner pays annual taxes, assessments and fees on an ongoing basis as a result of its ownership of property within the District, including local ad valorem property taxes, the Series 2015 Assessments to be levied by the District in connection with the 2003A Project, maintenance and operating assessments levied by the District, and homeowners' associations' assessments which are expected to be approximately \$330 annually. Upon platting the platting of, and the assignment of the Series 2015 Assessments to, individual units, the expected assessments for debt service on the Series 2015 Bonds and District operations are described in the following chart:

<u>Product Type</u>	<u>Existing 2003A Annual Assessment Per Planned Unit</u>	<u>2015 Annual Assessment Per Planned Unit*</u>	<u>Estimated O&M</u>	<u>Estimated Total*</u>
Single Family 2	\$2,698.70	\$2,372.40	\$330.00	\$2,702.40
Villa 1	1,500.00	1,318.64	330.00	1,648.64
Villa 2	2,000.00	1,758.18	330.00	2,088.18
Multi-Family 2	1,500.00	1,318.64	330.00	1,648.67
Golf Club	200,017.93	175,834.23	1,980.00	177,814.23
Commercial	2,832.12	2,489.70	330.00	2,819.70

* It is expected that, upon refunding, the Series 2015 Assessments will reduce the previous Series 2003A Assessments by approximately 12% in the aggregate.

Land Acquisition, Financing Plan and Development Status

The Developer acquired the District Lands (consisting of approximately 972 acres, of which the Assessment Area consists of approximately 250 acres land planned for 760 residential units and 30 acres of land planned for approximately 100 commercial units) along with an additional approximate 277 adjacent acres in 1999 for \$16,460,000. None of the District Lands currently owned by the Developer are encumbered by any mortgage.

All of the 2003A Project infrastructure for the Assessment Area was completed with the proceeds of the Refunded Bonds. The Developer anticipates the total cost to finish development of the Assessment Area to be approximately \$7,000,000, which the Developer expects to use for internal roads, grading, landscaping and public areas. The Developer anticipates that the additional infrastructure costs will be paid for by the Developer out of its own funds and does not anticipate the District will issue additional bonds for this purpose.

Development Approvals

The Community is fully entitled. The original project, consisting of 1,271 acres, was approved by the County's Board of Commissioners for zoning as well as a Development of Regional Impact (DRI) on November 29, 1999, as subsequently amended and as most recently amended by the Eighth Amendment to the Miromar Lakes DRI Development Order #11-9798-142 on June 18, 2014 (as amended, the "DRI Development Order"). The Developer will represent that all development conditions set forth in the DRI Development Order have been or are expected to be complied with during the course of construction of homes within the Assessment Area. The project was approved per the DRI Development Order, Final Zoning Resolution Z-99-029, as amended, and approvals from the South Florida Water Management District and the Army Corps of Engineers in April and July, 2000, respectively.

The 2003A Project has been completed, and the Developer will represent that all permits and approvals have been received by jurisdictional agencies to allow for the development of the Assessment Area as contemplated herein or are expected to be received in the ordinary course, except as set forth below.

In conjunction with the construction of 56 single-family lots in the Salerno II, Lugano and Cassina neighborhoods within the Assessment Area, the Developer has submitted an application for a modification of its existing environmental resource permit to the South Florida Water Management District ("SFWMD"). SFWMD staff has recommended that SFWMD approve the Developer's permit modification. However, an adjoining landowner has filed a petition with SFWMD challenging the approval of the permit modification on various bases, primarily concerning the water quality treatment of the stormwater discharge from these neighborhoods into an adjacent lake. The petition will be sent to an administrative judge for consideration. The time for resolution of such matters is uncertain but could take 9 to 12 months to resolve. Based on available information, the Developer believes that it is reasonably probable that the material effect of the petition, if any, would be to modify the Developer's stormwater treatment and related plans and/or delay commencement of construction within the affected portions of the Assessment Area. While the Developer cannot predict the cost of any such modification or the length of any construction delay, the Developer does not believe that the petition will have a material adverse impact on the long-term development of the lands in the District as described herein, the ability of the Developer to pay the Series 2015 Assessments imposed against the land within the District owned by the Developer or the ability of the Developer to perform its various obligations described in this Limited Offering Memorandum. See also "BONDOWNERS' RISKS – No. 6" above.

Environmental

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 was a potential for a petroleum contamination of the soil or groundwater in one portion of the Assessment Area, 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 Developer's purchase of the property, the seller agreed to perform a Phase II Audit and pay for any costs associated with the clean up. Subsequent thereto, the Developer engaged the services of Missimer International, Inc. to perform an Environmental Site Assessment update. That update, issued in 2000 prior to the closing on the Refunded Bonds, stated that, "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." That 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."

In November 2005, Camp Dresser & McKee, Inc., issued an update to the Environmental Site Assessment for a parcel known as the Peninsula Parcel, located in the southeastern portion of the Assessment Area just west of the area of concern identified by the W. Dexter Bender Audit. The 2005 update stated that it had found "no evidence that the environmental integrity of the ESA site [i.e., the Peninsula Parcel] has been adversely impacted from either on-site or off-site sources since the time of the November 2000 ESA Update to a degree that would warrant mitigation." In February 2014, Mayne Environmental Consultants, Inc., issued a new Phase I Environmental Site Assessment of the Peninsula Parcel. The 2014 report stated that the assessment "revealed no evidence of recognized environmental conditions" in the Peninsula Parcel. Neither the District nor the Developer has received any further update to these environmental reports. See "BONDOWNERS' RISKS – No. 9" herein for more information regarding potential environmental risks.

Community Amenities

The Community includes numerous amenities including, without limitation, over 310 acres of fresh water lakes with a recreational easement across an adjoining 400 acre fresh water lake, a Beach Club, Fitness Center with Spa, two swimming pools, a full-service Clubhouse, Tennis Club with seven courts, a marina, two Bocce courts and an Arthur Hills 18-hole signature golf course with Clubhouse.

Utilities

Lee County Utilities currently provides water and sewer services to the developed area of the Community and the Florida Power & Light Company currently provides electrical services to the developed areas of the Community. It is anticipated that the same utility providers will provide the same services to the undeveloped land in the Assessment Area in the future.

Competition

The Community is expected to compete with projects in the County market generally. The Developer believes the projects that will be the most direct competition for the Community are The Colony, Quail West, Renaissance, Talis Park and West Bay.

The information in this section has been obtained from third parties and public sources believed to be accurate, but cannot be certified as to its accuracy and is subject to change. This section does not purport to summarize all of the existing or planned communities in the area of the Community, but rather provide a description of those that the Developer feels pose primary competition to the Community.

THE DEVELOPER

Miromar Lakes, LLC, a Florida limited liability company (the “Developer”) is the owner of the vast majority of land in the Assessment Area as well as the remaining undeveloped, unplatted land within the District. See “THE DEVELOPMENT” above for more information on the land owned by the Developer. The Developer was organized on July 1, 1999. 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 Corporation is the U.S. parent company and the managing member of the Developer. The Developer is headquartered in Estero, Florida. The various Miromar entities develop, own and/or operate various commercial and residential projects in addition to the Community. Existing and planned projects in the Southwest Florida region include Miromar Outlets, Miromar Design Center and University Village.

ASSESSMENT METHODOLOGY

As required by applicable law, prior to the issuance of bonds, the Board of Supervisors of the District (the governing body of the District) adopted resolutions describing its capital improvement program and determining to defray the cost of the capital improvement program (of which the 2003A Project was a part) through Assessments. The District caused an assessment roll to be prepared, which showed the land to be assessed, the amount of the benefit to and the assessment against each lot or parcel of land and the number of annual installments in which the assessment was to be divided. Statutory notice was given to the owners of the property to be assessed, and the Board of Supervisors conducted a public hearing to hear testimony from affected property owners as to the propriety and advisability of undertaking the capital improvement program and funding the same with Assessments. Prior to the issuance of the Refunded Bonds, the Board of Supervisors conducted further proceedings to describe the portion of the capital improvement program represented by the 2003A Project and the land to be subject to the Series 2003A Assessments to pay the cost thereof.

The allocation of benefits and assessments to the benefited land within the District is presented in the original Master Assessment Methodology dated September 19, 2000, as supplemented by the Supplemental Assessment Report for the Series 2003 Bonds dated December 18, 2003 (collectively, the “Initial Assessment Methodology Report”), together with the Revised Supplemental Special Assessment Methodology Report for the Series 2003A Bonds dated January 13, 2011, as supplemented by the Assessment Allocation Report dated February 16, 2015 with respect to the Series 2015 Bonds (collectively, the “Revised Assessment Methodology Report” and, together with the Initial Assessment Methodology Report, the “Assessment Methodology Report”), all of which are included herein as Appendix D. The Assessment Methodology Report sets forth an overall method for allocating the Series 2015 Assessments to be levied against the lands within the District benefited by the 2003A Project and collected by the District as a result thereof. APPENDIX D should be read in its entirety for complete information with respect to the subjects discussed therein.

Once levied and imposed, the Series 2015 Assessments are a first lien on the land against which assessed until paid or barred by operation of law, co-equal with other taxes and assessments levied by the District and other units of government. See “ENFORCEMENT OF ASSESSMENT COLLECTIONS” herein.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, the form of which is included as Appendix B hereto, the interest on the Series 2015 Bonds is excludable from gross income and is not a specific item of tax preference for federal income tax purposes under existing statutes, regulations, rulings and court decisions. However, interest on the Series 2015 Bonds is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on corporations pursuant to the Code. Failure by the District to comply subsequently to the issuance of the Series 2015 Bonds with certain requirements of the Code, regarding the use, expenditure and investment of bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the Series 2015 Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issue. The District has covenanted in the Series 2015 Indenture to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the Series 2015 Bonds for purposes of federal income taxation. In rendering this opinion, Bond Counsel has assumed continuing compliance with such covenants.

Internal Revenue Code of 1986

The Code contains a number of provisions that apply to the Series 2015 Bonds, including, among other things, restrictions relating to the use of investment of the proceeds of the Series 2015 Bonds and the payment of certain arbitrage earnings in excess of the “yield” on the Series 2015 Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Series 2015 Bonds being included in gross income for federal income tax purposes retroactive to their date of issue.

Collateral Tax Consequences

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Series 2015 Bonds. Prospective purchasers of the Series 2015 Bonds should be aware that the ownership of the Series 2015 Bonds may result in other collateral federal tax consequences. For example, ownership of the Series 2015 Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry such Series 2015, (2) the branch profits tax, and (3) the inclusion of interest on the Series 2015 Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the Series 2015 Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2015 BONDS, AS THE CASE MAY BE, AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL OR CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Other Tax Matters

Bond Counsel is further of the opinion that the Series 2015 Bonds and interest thereon are not subject to 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, Florida Statutes. Interest on the Series 2015 Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series

2015 Bonds should consult their tax advisors as to the income tax status of interest on the Series 2015 Bonds in their particular state or local jurisdictions.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2015 Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2015 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2015 Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2015 Bonds.

Tax Treatment of Original Issue Discount

Bond Counsel is further of the opinion that the difference between the principal amount of the Series 2015 Term Bonds maturing in 2020 and 2035 (collectively, the “Discount Bonds”) and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Discount Bonds of the same maturity was sold constitutes original issue discount which is excluded from gross income for Federal income tax purposes to the same extent as interest on the Series 2015 Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

Bond Premium

The difference between the principal amount of the Series 2015 Term Bond maturing on 2028 (the “Premium Bonds”) and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for Federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond (or, in the case of a Premium Bond callable prior to maturity, the amortization period and yield must be determined on the basis of the earliest call date that results in the lowest yield on the Premium Bond). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering to the public at the initial offering price is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

AGREEMENT BY THE STATE

Under the Act, the State of Florida pledges to the holders of any bonds issued thereunder, including the Series 2015 Bonds, that it will not limit or alter the rights of the District to own, acquire, construct, reconstruct, improve, maintain, operate or furnish the projects subject to the Act or to levy and collect taxes, assessments, rentals, rates, fees, and other charges provided for in the Act and to fulfill the terms of any agreement made with the holders of such bonds and that it will not in any way impair the rights or remedies of such holders.

LEGALITY FOR INVESTMENT

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

SUITABILITY FOR INVESTMENT

In accordance with applicable provisions of Florida law, the Series 2015 Bonds may initially be sold by the District only to “accredited investors” within the meaning of Chapter 517, Florida Statutes and the rules promulgated thereunder. The limitation of the initial offering to Accredited Investors does not denote restrictions on transfer in any secondary market for the Series 2015 Bonds. Investment in the Series 2015 Bonds poses certain economic risks. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum.

ENFORCEABILITY OF REMEDIES

The remedies available to the Owners of the Series 2015 Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Series 2015 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2015 Bonds will be qualified as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

LITIGATION

The District

There is no litigation of any nature now pending or threatened against the District seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2015 Bonds, or in any way contesting or affecting (i) the validity of the Series 2015 Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, (ii) the pledge or application of any moneys or security provided for the payment of the Series 2015 Bonds, (iii) the existence or powers of the District or (iv) the validity of the Series 2015 Assessment Proceedings. Neither the creation, organization or existence of the District, nor the title of the present members of the Board of Supervisors of the District or the District Manager is being contested.

The Developer

The Developer has represented that there is no litigation of any nature now pending or, to the knowledge of the Developer, threatened, which could reasonably be expected to have a material and adverse effect upon (i) the development of the lands in the District as described herein, (ii) the ability of the Developer to pay the Series 2015 Assessments imposed against the land within the District owned by the Developer or (iii) the ability of the Developer to perform its various obligations described in this Limited Offering Memorandum.

NO RATING

No application for a rating for the Series 2015 Bonds has been made to any rating agency, nor is there any reason to believe that an investment grade rating for the Series 2015 Bonds would have been obtained if application had been made.

EXPERTS

AJC Associates, Inc., Naples, Florida, as Methodology Consultant, has prepared the Revised Assessment Methodology Report set forth as part of APPENDIX D hereto. APPENDIX D should be read in its entirety for complete information with respect to the subjects discussed therein. As a condition to closing on the Series 2015 Bonds, the Methodology Consultant will consent to the inclusion of the Revised Assessment Methodology Report in this Limited Offering Memorandum. The Initial Assessment Methodology Report, as set forth as part of APPENDIX D hereto, has been included in this Official Statement as a public document, and consent from its preparer, Fishkind & Associates, Inc., was not requested. Fishkind & Associates, Inc. has not performed any services related to, and therefore is not associated with, the preparation of this Limited Offering Memorandum.

FINANCIAL INFORMATION

This District has covenanted in the form of Continuing Disclosure Agreement set forth in Appendix C hereto to provide its annual audited financial statements to certain information repositories as described in Appendix C commencing with the audit for the District fiscal year ended September 30, 2015. Attached hereto as APPENDIX E is a copy of the District's most recent audited financial statements for the District's fiscal year ended September 30, 2014. Such financial statements, including the auditors' report for the audited financial statements, have been included in this Official Statement as public documents, and consent from the auditors was not requested. The auditors have not performed any services related to, and therefore are not associated with, the preparation of this Limited Offering Memorandum. The Series 2015 Bonds are not general obligation bonds of the District or any other entity and are payable solely from the Series 2015 Trust Estate.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of the mathematical computations of the adequacy of the moneys held by the Escrow Agent under the Escrow Agreement to pay principal of, redemption premium, if any, and interest on the Refunded Bonds on their redemption date will be verified by Causey Demgen & Moore Inc., independent certified public accountants.

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 (including bonds or other debt obligations for which it has served only as a conduit

issuer such as industrial development or private activity bonds issued on behalf of private business). The District is not and has never been in default as to principal and interest on its bonds or other debt obligations.

CONTINUING DISCLOSURE

The District and the Developer will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement”), the proposed form of which is set forth in APPENDIX C, for the benefit of the Series 2015 Bondholders (including owners of beneficial interests in such Bonds) to file certain financial information and operating data relating to the District and the Community, respectively, by certain dates prescribed in the Disclosure Agreement (the “Reports”) with the Municipal Securities Rulemaking Board (“MSRB”) through the MSRB’s Electronic Municipal Market Access system (“EMMA”). The specific nature of the information to be contained in the Reports is set forth in “APPENDIX C: PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT.” Under certain circumstances, the failure of the District or the Developer to comply with their respective obligations under the Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement would allow the Series 2015 Bondholders (including owners of beneficial interests in such Series 2015 Bonds), as applicable, to bring an action for specific performance.

The District has previously entered into continuing disclosure undertakings with respect to its Series 2000A Bonds, its Series 2000B Bonds, its Refunded Bonds, and its Series 2012 Bonds, and the Developer has previously entered into continuing disclosure undertakings with respect to the District’s Series 2000A Bonds, the District’s Series 2000B Bonds, and the Refunded Bonds (collectively, as applicable to each party, the “Prior Bonds”). The District’s and the Developer’s continuing disclosure obligations on the Series 2000A Bonds terminated upon the refunding of the Series 2000A Bonds on September 18, 2012 with the proceeds from the District’s issuance of the Series 2012 Bonds, and the District’s and the Developer’s continuing disclosure obligations on the Series 2000B Bonds terminated upon the payment in full on such Series 2000B Bonds on May 1, 2012. The District and the Developer have provided continuing disclosure information pursuant to Rule 15c2-12 of the Securities and Exchange Commission during the last five fiscal years on the Prior Bonds, as applicable. A review of filings made pursuant to such prior agreements for the Prior Bonds indicates that certain filings were not timely, that notice of such late filings was not always provided and that certain information required by the District’s continuing disclosure obligations on the Prior Bonds was not always available or filed. On December 16, 2014, the District filed its continuing disclosure report for the filing period ending September 30, 2014 on its outstanding Prior Bonds. The District and Developer fully anticipate satisfying all future disclosure obligations required pursuant to the Disclosure Agreement.

UNDERWRITING

fmsbonds, Inc. (the “Underwriter”) has agreed, pursuant to a contract with the District, subject to certain conditions, to purchase the Series 2015 Bonds from the District at a purchase price of \$19,033,866.30 (representing the par amount of the Series 2015 Bonds plus net bond premium of \$118,011.30 and less an Underwriter’s discount of \$249,145.00. The Underwriter’s obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all of the Series 2015 Bonds if any are purchased.

The Underwriter intends to offer the Series 2015 Bonds to accredited investors at the offering prices set forth on the cover page of this Limited Offering Memorandum, which may subsequently change without prior notice. The Series 2015 Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices, and such initial offering prices may be changed from time to time by the Underwriter.

VALIDATION

The Refunded Bonds (as defined herein) were one of a series of the District's bonds validated by a Final Judgment of the Twentieth Judicial Circuit in and for the County, issued November 6, 2000, and the period during which an appeal could be taken from that judgment expired with no appeal having been filed.

LEGAL MATTERS

Certain legal matters related to the authorization, sale and delivery of the Series 2015 Bonds are subject to the approval of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Coleman, Yovanovich & Koester, P.A., Naples, Florida, and for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida.

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

AUTHORIZATION AND APPROVAL

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

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

By: /s/ Michael Hendershot
Chairperson, Board of Supervisors

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APPENDIX A

**COPY OF MASTER TRUST INDENTURE AND PROPOSED FORM OF FOURTH
SUPPLEMENTAL TRUST INDENTURE**

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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.

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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MASTER TRUST INDENTURE

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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 (hereafter defined) is and will be necessary and desirable in serving the District's goal of properly managing the acquisition, construction, and operation of portions of the infrastructure within the boundaries of the District;

NOW, THEREFORE, THIS MASTER TRUST INDENTURE WITNESSETH:

GRANTING CLAUSES

That the District, in consideration of the premises and acceptance by the Trustee of the trusts hereby created and the purchase and acceptance of the Bonds (hereafter defined) by the Owners (hereafter defined), and of the sum of ten dollars (\$10.00), lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of this Master

Indenture, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds of a Series (hereafter defined) issued hereunder according to their tenor and effect and to secure the performance and observance by the District of all of the covenants expressed or implied herein, in the Supplemental Indenture authorizing the issuance of such Series of Bonds and in the Bonds of such Series, does hereby assign and grant a security interest in the following (herein called the "Trust Estate") to the Trustee and its successors in trust, and assigns forever, for the securing of the performance of the obligations of the District herein set forth: (i) the Pledged Revenues (hereinafter defined) and Pledged Funds (hereinafter defined); and (ii) any and all property of every kind or description which may from time to time hereafter be sold, transferred, conveyed, assigned, hypothecated, endorsed, deposited, pledged, 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 (hereafter defined) had been authenticated, executed and delivered simultaneously with the execution and delivery of this Master Indenture, all as herein set forth.

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

against all parties having any claims of any kind in tort, contract or otherwise against the District, irrespective of whether such parties have notice thereof; and (d) that the Bonds of a Series are to be issued, authenticated and delivered, and that the Trust Estate is to be held, dealt with, and disposed of by the Trustee, upon and subject to the terms, covenants, conditions, uses, agreements and trusts set forth in this Master Indenture and the District covenants and agrees with the Trustee, for 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.

"**Acr**" 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 pari passu Additional Bonds of such Series.

"**Additional Series Project**" shall mean the acquisition and/or construction of any additions, extensions, improvements and betterments to and reconstructions of a Series Project to be financed, in whole or in part, from the proceeds of any 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 plat 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 to a Series of Bonds pursuant to the Supplemental Indenture authorizing the issuance of such Series of Bonds.

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

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

"**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

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"**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 unrecouped.

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

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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 Accreted Value only at the maturity or earlier redemption thereof, all as so designated in a Supplemental Indenture of the District providing for the issuance thereof.

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

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

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

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"**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 thereto which succeeds to the obligations of the District hereunder.

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

"**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.

"**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

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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 collateralized by obligations described in subparagraph (i) of this definition, which securities will at all times (a) have a market value (inclusive of accrued interest) not

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(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 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.

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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;

(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;

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"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 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.

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"**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.

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

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

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

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

Section 204. Negotiability, Registration and Transfer of Bonds. The District shall cause books for the registration and for the transfer of the Bonds as provided in this Master Indenture to be kept by the Bond Registrar. All Bonds shall be registered as to both principal and interest. Any Bond may be transferred only upon an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, such transfer to be made on such books and endorsed on the Bond by the Bond Registrar. No charge shall be made to any Owner for registration and transfer as 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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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 of 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 to such Series of Bonds, all as provided herein and in such Supplemental Indenture.

Section 207. Authorization of Bonds. There shall be issued from time to time in Series, under and secured by this Master 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 thereof set forth in such Supplemental Indenture;

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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 to 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, a new Bond in substitution therefor and upon the cancellation of such mutilated Bond, or in lieu of

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

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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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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 securing 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 as against all parties having claims of any kind in tort, contract or otherwise against the District or the Trustee, irrespective of whether such parties have notice thereof. Such lien shall be prior and superior to all other liens now existing or hereafter created.

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

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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 to an account specified by the payee upon satisfaction of the conditions for disbursement set forth in Section 503(b) hereof.

Section 403. Cost of Project. For the purposes of this Master Indenture, the Cost of the 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 related to a Series of Bonds. Notwithstanding the deposit of Capitalized Interest into the related Series Capitalized Interest Account, Capitalized Interest shall also include any amount directed by the District to the Trustee in writing to be withdrawn from the related Series Acquisition and Construction Account and deposited into such Capitalized Interest Account, provided that such direction includes a certification that such amount represents earnings on amounts on deposit in the related Series Acquisition 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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(ii) payments made to the District from the sale, lease or other disposition of the Series Project or any portion thereof.

(iii) the balance of insurance proceeds with respect to the loss or destruction of the Series Project or any portion thereof; 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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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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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 purchase price of the Bonds of such Series so purchased upon their delivery and cancellation,

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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 Installments against which the principal amount of such purchases are to be credited, and (iii)

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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 prior sentence. The Trustee may, upon the direction of an Authorized Officer, transfer investments within such Funds or Accounts without being required to sell such investments. The Trustee shall

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

(i) if the Bonds are to be purchased from amounts on deposit in the 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 an administrative and

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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(d), the value of the Series Reserve Account and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such Series Reserve Account. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit in the Series

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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 trusts hereby created, but only upon the additional terms set forth in this Article, to all of which the parties hereto and the Owners agree.

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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 thereof by a Credit Facility issuer or a Liquidity Facility issuer of a default under its respective Reimbursement Agreement, but shall not be deemed to have actual knowledge of any other default unless notified in writing of such default by the Owners of at least 25% in aggregate principal amount of the Outstanding Bonds. The Trustee may, however, at any time require of the District full information as to the performance of any covenant hereunder; and if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made, at the expense of the District, an investigation into the affairs of the District.

Section 607. Obligation to Act on 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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Section 602. No Responsibility for Recitals. The recitals, statements and representations in this Master Indenture, in any Supplemental Indenture or in the Bonds, save only the Trustee's authentication certificate, if any, upon the Bonds, have been made by the District and not by the Trustee; and the Trustee shall be under no responsibility for the correctness thereof.

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

Section 604. Compensation and Indemnity. The District shall pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, including the reasonable fees and expenses of Trustee's counsel 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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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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(a) be used only for the purposes and in the manner herein and in the Supplemental Indenture relating to such Series of Bonds provided and, pending such application, be held by the Trustee in trust for the benefit of the Owners of such Series of Bonds;

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

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

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

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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:

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

Section 804. Power to Issue Bonds and Create a Lien. The District hereby represents to the Trustee and to the Owners that it is and will be duly authorized under all applicable laws to issue the Bonds of each Series, to execute this Master Indenture, to adopt Supplemental Indentures, and to pledge its moneys, securities and funds in the manner and to the extent provided herein. Except as provided herein, the District hereby represents that such moneys, securities and funds of the District are and will be free and clear of any pledge, lien, charge or 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 issuance of each Series of Bonds, and will have so long as any Bonds are Outstanding, good right and lawful power: (a) to undertake the Series Projects, or it will take such action on its part required which it deems reasonable in order to obtain licenses, orders, permits or other authorizations, if any, from any agency or regulatory body having lawful jurisdiction which must be obtained in order to undertake such Series Project; and (b) to fix, levy and collect or cause to be collected 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.

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Unless otherwise provided for in the Supplemental Indenture relating to a Series of Bonds, the 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 signer, the District is in default with respect to any of the covenants, agreements or conditions on its

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 platted 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 to 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.

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 thereunto appertaining at times and in amounts as shall be necessary in order to pay, when due, the principal of and interest on the Series of Bonds to which such Pledged Revenues are pledged, and to pay or cause to be paid the proceeds of such Assessments, Benefit Special Assessments and/or 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 may be included in the combined notice for ad valorem taxes and non ad valorem assessment provided

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 agents 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 benefitted by such improvement; or (ii) in its sole discretion, make up the amount of such Assessment from legally available moneys, which moneys shall be deposited into the related Series Revenue Account. In case any such subsequent Assessment shall

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

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

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

ARTICLE IX EVENTS OF DEFAULT AND REMEDIES

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

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

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

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

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

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

(f) Under the provisions of any other law for the relief 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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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 in and thereafter accruing to the related Series Revenue Fund shall be applied in accordance with subsection (b) above.

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

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

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

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

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

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

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

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

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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 (1999), 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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ARTICLE X EXECUTION OF INSTRUMENTS BY OWNERS AND PROOF OF OWNERSHIP OF BONDS

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

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

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

ARTICLE XI SUPPLEMENTAL INDENTURES

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

(a) to provide for the initial issuance of a Series of Bonds or refunding bonds of a Series or 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 to any Owner by reason of its failure to cause the notice required by this Section to be mailed and any such failure shall not affect the validity of such Supplemental Indenture when consented to and approved as provided in this Section.

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

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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 thereafter form a part of this Master Indenture. Except as applicable only to Bonds of a Series, all of the terms and conditions contained in any such Supplemental Indenture amendatory of this Master Indenture shall be part of the terms and conditions hereof.

Section 1105. Insurer or Issuer of a Credit or Liquidity Facility as Owner of Bonds. As long as a Credit or Liquidity Facility securing all or a portion of the Bonds of a Series Outstanding is in effect, the issuer of the Credit or Liquidity Facility or the Insurer, to the extent so authorized in the applicable Supplemental Indenture, will be deemed to be the Owner of the Bonds of such Series secured by the Credit or Liquidity Facility (i) at all times for the purpose of the execution and delivery of a Supplemental Indenture or of any amendment, change or modification of the Indenture or the applicable Supplemental Indenture or the initiation by Owners of any action to be undertaken by the Trustee at the Owner's request, which under the Master Indenture or the applicable Supplemental Indenture requires the written approval or consent of or can be initiated by the Owners of at least a majority in principal amount of the Bonds of the Series at the time Outstanding; (ii) at all times for the purpose of the mailing of any notice to Owners under the Master Indenture or the applicable Supplemental Indenture; and (iii) following an Event of Default for all other purposes. Notwithstanding the foregoing, neither an Insurer nor the issuer of a Credit or Liquidity Facility with respect to a Series of Bonds will 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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been paid within the meaning and with the effect expressed in subsection (a) of this Section 1201 if: (j) 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; (k) 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; (l) 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.

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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 issuer of any Credit Facility or Liquidity Facility shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee upon the request of the District shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee and the Paying Agent shall pay over or deliver, as directed by the District, all moneys or securities held by them pursuant to this Master Indenture 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

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(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 of and redemption price, if any, and interest on such Option Bonds which could become payable to the Owners of such Bonds upon the exercise of any options provided to the Owners of such Bonds; provided however, that if, at the time a deposit is made pursuant to this subsection (d), the options originally exercisable by the Owner of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this subsection (d). If any portion of the moneys deposited for the payment of the principal of and redemption price, if any, and interest on Option Bonds is not required for such purpose and is not needed to reimburse an Insurer or an issuer of any Credit Facility or Liquidity Facility, for obligations under any Letter of Credit Agreement or any Liquidity Agreement, the District may use the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing such Option Bonds or otherwise existing under this Master Indenture or any Letter of Credit Agreement or Liquidity Agreement.

(e) Anything in this Master Indenture to the contrary notwithstanding, any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for 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

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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 to specific contract if amount is due and payable pursuant to a contract involving progress payments, or, state Costs of Issuance, if applicable):

- (E) Fund or Account and subaccount, if any, from which disbursement to be made:

The undersigned hereby certifies that [obligations in the stated amount set forth above have been incurred by the District, that each disbursement set forth above is a proper charge against the [] 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.

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

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, (ii) the report of the Consulting Engineer attached as an Exhibit to the [] Supplemental Indenture, as such report shall have been amended or modified on the date hereof.

Consulting Engineer

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

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**MIROMAR LAKES
COMMUNITY DEVELOPMENT DISTRICT**

TO

U.S. BANK NATIONAL ASSOCIATION,

(as successor in trust to First Union National Bank), AS TRUSTEE

Dated as of February 1, 2015

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FOURTH SUPPLEMENTAL TRUST INDENTURE

THIS FOURTH SUPPLEMENTAL TRUST INDENTURE (the "Fourth Supplemental Indenture") dated as of February 1, 2015, from **MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT** (the "District") to **U.S. BANK NATIONAL ASSOCIATION**, as successor in trust to First Union National Bank, as Trustee (the "Trustee"), a national banking association, authorized to accept and execute trusts of the character herein set out, with its designated corporate trust office and post office address located at 550 West Cypress Creek Road, Suite 380, Fort Lauderdale, Florida 33309 Attention: Corporate Trust Department.

WHEREAS, the District 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, 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 judgment having been taken; and; 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 Capital Improvement Program described therein (the "Capital Improvement Program"), providing estimated Costs of the Capital Improvement Program, defining assessable property to be benefitted by the Capital Improvement Program, defining the portion of the cost of the Capital Improvement Program with respect to which Assessments will be imposed and the manner in which such assessments shall be levied against such benefitted 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 Capital Improvement Program (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 benefitted property (the "Assessment Resolution"); and

WHEREAS, the District issued, sold and delivered \$27,560,000 of its Miromar Lakes Community Development District Capital Improvement Revenue Bonds, Series 2003A (the "Refunded Bonds") as an issue of Bonds under the Master Indenture, as supplemented by a Second Supplemental Indenture, dated as of December 1, 2003 (the "Second Supplemental Indenture"), from the District to the Trustee to secure the issuance of the Refunded Bonds and to set forth the terms of the Refunded Bonds; and

WHEREAS, the District applied the proceeds of the Refunded Bonds to: (i) finance the Cost of acquiring, constructing and equipping additional components of the Capital Improvement Program, as set forth in the Second Supplemental Indenture (the "2003A Project"); (ii) pay certain costs associated with the issuance of the Refunded Bonds; (iii) make a deposit into the 2003A Reserve Account for the benefit of all of the Refunded Bonds; and (iv) pay a portion of the interest to become due on the Refunded Bonds; and

WHEREAS, the Refunded Bonds are payable from and secured by Assessments imposed, levied and collected by the District with respect to property specially benefited by the 2003A Project (the "2003A Assessments; and

WHEREAS, the District has determined that under existing market conditions, it would be in the best financial interest of the District to currently refund and redeem all of the Outstanding Refunded Bonds in order to achieve debt service savings and reduce the Series 2003A Assessments;

WHEREAS, pursuant to Resolution No 2015-2, adopted by the Governing Body of the District on December 11, 2014 (the "Award Resolution"), the District has authorized the issuance, sale and delivery of its Miromar Lakes Community Development District Capital Improvement Revenue Refunding Bonds, Series 2015 (the "Series 2015 Bonds"), which are issued hereunder in the aggregate principal amount of \$19,165,000 as an issue of Bonds under the Master Indenture, and has authorized the execution and delivery of this Fourth Supplemental Indenture to secure the issuance of the Series 2015 Bonds and to set forth the terms of the Series 2015 Bonds; and

WHEREAS, the District will apply the proceeds of the Series 2015 Bonds to: (i) currently refund and redeem all of the Outstanding principal amount of the Refunded Bonds; (ii) pay certain costs associated with the

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District, in, to and under, subject to the terms and conditions of the Master Indenture and the provisions of the Master Indenture pertaining to the application thereof for or to the purposes and on the terms set forth in the Master Indenture, the revenues derived by the District from the Series 2015 Assessments (the "Series 2015 Pledged Revenues") and the Funds and Accounts (except for the Series 2015 Rebate Account) established hereby (the "Series 2015 Pledged Funds and Accounts") which shall comprise a part of the Trust Estate securing the Series 2015 Bonds (the "Series 2015 Trust Estate");

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

IN TRUST NEVERTHELESS, except as in each such case may otherwise be provided in the Master Indenture, upon the terms and trusts in the Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the Series 2015 Bonds issued or to be issued under and secured by this Fourth Supplemental Indenture, without preference, priority or distinction as to lien or otherwise, of any one Series 2015 Bond over any other Series 2015 Bond by reason of priority in their issue, sale or execution;

PROVIDED FURTHER HOWEVER, that if the District, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal and Redemption Price of the Series 2015 Bonds or any Series 2015 Bond of a particular maturity issued, secured and Outstanding under this Fourth Supplemental Indenture and the interest due or to become due thereon, at the times and in the manner mentioned in the Series 2015 Bonds and this Fourth 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 Fourth 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 Fourth Supplemental Indenture, then upon such final payments, this Fourth Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all Series 2015 Bonds or any Series 2015 Bond of a particular maturity, otherwise this Fourth Supplemental Indenture shall remain in full force and effect;

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issuance of the Series 2015 Bonds; and (iii) make a deposit into the Series 2015 Reserve Account for the benefit of all of the Series 2015 Bonds; and

WHEREAS, the Series 2015 Bonds will be payable from and secured by that portion of the Assessments imposed, levied and collected by the District with respect to property specially benefited by the Series 2000 Project (the "Series 2015 Assessments"), which, together with the Series 2015 Pledged Funds and Accounts (hereinafter defined) will comprise the Series 2015 Trust Estate (hereinafter defined), which shall constitute a "Series Trust Estate" as defined in the Master Indenture; and

WHEREAS, the execution and delivery of the Series 2015 Bonds and of this Fourth Supplemental Indenture have been duly authorized by the Governing Body of the District and all things necessary to make the Series 2015 Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations of the District and to make this Fourth Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the Series 2015 Trust Estate have been done;

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS FOURTH SUPPLEMENTAL TRUST INDENTURE WITNESSETH:

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the mutual covenants herein contained, the purchase and acceptance of the Series 2015 Bonds by the purchaser or purchasers thereof, and other good and valuable consideration, receipt of which is hereby acknowledged, and in order to further secure the payment of the principal and Redemption Price of, and interest on, all Series 2015 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 Fourth Supplemental Indenture and in the Series 2015 Bonds: (a) has executed and delivered this Fourth 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

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THIS FOURTH SUPPLEMENTAL INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Series 2015 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 Fourth Supplemental Indenture), including this Fourth Supplemental Indenture, expressed, and the District has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Series 2015 Bonds, as follows:

ARTICLE I DEFINITIONS

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

"Beneficial Owner" shall mean the actual owner of Series 2015 Bonds while the Series 2015 Bonds are registered in the name of Cede & Co., as the nominee of DTC. The Trustee is authorized to recognize the Beneficial Owners of the Series 2015 Bonds for purposes of approvals, consents or other actions taken hereunder if beneficial ownership is proven to the satisfaction of the Trustee.

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

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

"Capital Improvement Program" shall mean the program of assessable capital improvements established by the District in the Assessment Proceedings, a portion of which is comprised of the 2003A Project.

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"Delinquent Assessment Interest" shall mean Series 2015 Assessment Interest deposited by the District with the Trustee on or after May 1 of the year in which such Assessment Interest has, or would have, become delinquent under State law applicable thereto.

"Delinquent Assessment Principal" shall mean Series 2015 Assessment Principal deposited by the District with the Trustee on or after May 1 of the year in which such Series 2015 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.

"Escrow Deposit Agreement" shall mean the Escrow Deposit Agreement, dated February 19, 2015, between U.S. Bank National Association, as Escrow Agent and the District.

"Government Obligations" shall mean direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.

"Interest Payment Date" shall mean each May 1 and November 1, commencing November 1, 2015.

"Majority Owners" shall mean the Beneficial Owners of more than fifty percent (50%) of the Outstanding Series 2015 Bonds.

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

"Redemption Date" shall mean, in the event that the Series 2015 Bonds are to be redeemed in part, any Interest Payment Date, and, in the event that the Series 2015 Bonds are to be redeemed as a whole, any date.

"Series 2015 Assessments" shall mean the Series 2003A Assessments as supplemented with respect to the Series 2015 Bonds imposed pursuant to the Series 2015 Assessment Proceedings.

"Series 2015 Assessment Interest" shall mean the interest on the Series 2015 Assessments which is pledged to the Series 2015 Bonds.

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Under all circumstances, the Trustee shall be entitled to rely upon the written direction of an Authorized Officer setting forth that any investment directed by the District is permitted under the Indenture.

"Series 2015 Pledged Revenues" shall mean the Series 2015 Assessment Revenues.

"Series 2015 Prepayment Principal" shall mean the excess amount of Series 2015 Assessment Principal received by the District over the Series 2015 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 Series 2015 Assessment Proceedings. Anything herein or in the Master Indenture to the contrary notwithstanding, the term Series 2015 Prepayment Principal shall not mean the proceeds of any Refunding Bonds or other borrowing of the District.

"Series 2015 Reserve Account Requirement" shall mean fifty percent (50%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2015 Bonds, determined from time to time as provided herein.

"Substantially Absorbed" shall mean the date when at least ninety percent (90%) of the principal portion of the Series 2015 Assessments have been assigned to residential units within the District that have each received a certificate of occupancy. The Trustee and the District may rely on a certificate from the District Manager regarding such status of the residential units and the Series 2015 Assessments.

ARTICLE II AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2015 BONDS

Section 201. Authorization of Series 2015 Bonds; Book-Entry Only Form. The Series 2015 Bonds are hereby authorized to be issued in one Series in the aggregate principal amount of \$19,165,000.00 for the purposes enumerated in the recitals hereto to be designated "Miromar Lakes Community Development District Capital Improvement Revenue Refunding Bonds, Series 2015." The Series 2015 Bonds shall be substantially in the form set forth as Exhibit A hereto. Each Series 2015 Bond shall bear the

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"Series 2015 Assessment Principal" shall mean the principal component of the Series 2015 Assessments which is pledged to the Series 2015 Bonds.

"Series 2015 Assessment Proceedings" shall mean the proceedings of the District with respect to the establishment, levy and collection of the Series 2015 Assessments which include Resolutions No. 2000-13, 2000-14, 2001-1, 2011-03, 2011-04 and 2015-[], as supplemented, adopted by the Governing Body of the District, and any supplemental proceedings undertaken by the District with respect to the Series 2015 Assessments.

"Series 2015 Assessment Revenues" shall mean all revenues derived by the District from the Series 2015 Assessments, including proceeds from any foreclosure of the lien of Delinquent Series 2015 Assessments.

"Series 2015 Bonds" shall mean the District's \$19,165,000 Miromar Lakes Community Development District Capital Improvement Revenue Refunding Bonds, Series 2015 which are issued hereunder.

"Series 2015 Investment Obligations" shall mean and includes any of the following securities, if and to the extent that such securities are legal investments for funds of the District;

(i) Government Obligations;

(ii) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies or such other government - sponsored agencies which may presently exist or be hereafter created; provided that, such bonds, debentures, notes or other evidences of indebtedness are fully guaranteed as to both principal and interest by the United States of America; Bank for Cooperatives; Federal Intermediate Credit Banks; Federal Financing Bank; Federal Home Loan Bank System; Export-Import Bank of the United States; Farmers Home Administration; Small Business Administration; Inter-American Development Bank; International Bank for Reconstruction and Development; Federal Land Banks; the Federal National Mortgage Association; the Government National Mortgage Association; the Tennessee Valley Authority; or the Washington Metropolitan Area Transit Authority;

(iii) shares of money market mutual funds that invest only in the obligations described in (i) and (ii) above, including money market mutual funds of the Trustee bank meeting such criteria.

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designation "Series 2015R" and shall be numbered consecutively from 1 upwards.

The Series 2015 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2015 Bond for each Series and maturity thereof. Upon initial issuance, the ownership of each such Series 2015 Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the initial Bond Depository. Except as provided in this Section 201, all of the Outstanding Series 2015 Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC.

With respect to Series 2015 Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any indirect Bond Participant. Without limiting the immediately preceding sentence, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Bond Participant with respect to any ownership interest in the Series 2015 Bonds, (ii) the delivery to any Bond Participant or any other person other than an Owner, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the Series 2015 Bonds, including any notice of redemption, or (iii) the payment to any Bond Participant or any other person, other than an Owner, as shown in the registration books kept by the Bond Registrar, of any amount with respect to principal of, premium, if any, or interest on the Series 2015 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent shall treat and consider the person in whose name each Series 2015 Bond is registered in the registration books kept by the Bond Registrar as the absolute owner of such Series 2015 Bond for the purpose of payment of principal, premium and interest with respect to such Series 2015 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2015 Bond, for the purpose of registering transfers with respect to such Series 2015 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2015 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

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Series 2015 Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books kept by the Bond Registrar, shall receive a certificated Series 2015 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 Fourth Supplemental Indenture shall refer to such new Nominee of DTC; and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Trustee, Bond Registrar and the Paying Agent.

Upon receipt by the Trustee or the District of written notice from DTC: (i) confirming that DTC has received written notice from the District to the effect that a continuation of the requirement that all of the Outstanding Series 2015 Bonds be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, is not in the best interest of the beneficial owners of the Series 2015 Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute Bond Depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, the Series 2015 Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, but may be registered in whatever name or names Owners transferring or exchanging the Series 2015 Bonds shall designate, in accordance with the provisions hereof.

Section 202. Terms The Series 2015 Bonds shall be two Term Bonds, shall be issued as a separate Series under the Master Indenture, shall bear interest at the fixed interest rates per annum and shall mature in the amounts and on the dates set forth below:

<u>Number</u>	<u>Principal Amount</u>	<u>Maturity Date (May 1)</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2015R-1	\$3,265,000	2020	3.50%	604710AF0
2015R-2	\$6,995,000	2028	5.00%	604710AG8
2015R-3	\$8,905,000	2035	5.00%	604710AH6

Section 203. Dating and Interest Accrual. Each Series 2015 Bond shall be dated the date of initial issuance and delivery. Each Series 2015

created of the Series 2015 Trust Estate in the manner and to the extent provided in the Master Indenture and this Fourth Supplemental Indenture; and (iii) the Series 2015 Bonds are valid, binding, special obligations of the District, enforceable in accordance with their terms and the terms of the Master Indenture and this Fourth 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 Series 2015 Bonds have been duly and validly authorized and issued in accordance with law and the Master Indenture and this Fourth Supplemental Indenture;

- (d) The District Counsel opinion required by the Master Indenture;
- (e) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Series 2015 Bonds, the District will not be in default in the performance of the terms and provisions of the Master Indenture or this Fourth Supplemental Indenture;
- (f) The executed Escrow Deposit Agreement; and
- (g) A certified copy of the final judgment of validation in respect of the Bonds together with a certificate of no appeal.

Payment to the Trustee of the purchase price of the Series 2015 Bonds shall be conclusive evidence of the satisfaction of the foregoing.

**ARTICLE III
REDEMPTION OF SERIES 2015 BONDS**

Section 301. Bonds Subject to Redemption. The Series 2015 Bonds are subject to redemption prior to maturity as provided in the form thereof set forth as Exhibit A to this Fourth Supplemental Indenture. Interest on Series 2015 Bonds which are called for redemption shall be paid on the Redemption Date from the Series 2015 Interest Account corresponding to the Series 2015 Bonds to be called or from the Series 2015 Revenue Account to the extent monies in the corresponding Series 2015 Interest Account are insufficient for such purpose.

Section 302. Conditional Notice of Redemption. Notwithstanding any other provision of the Indenture, notice of redemption may be conditioned upon the occurrence or non-occurrence of such event or events as shall be

Bond also shall bear its date of authentication. Each Series 2015 Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication: (i) is an Interest Payment Date to which interest on such Series 2015 Bond has been paid, in which event such Series 2015 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the Series 2015 Bonds, in which event, such Series 2015 Bond shall bear interest from its date. Interest on the Series 2015 Bonds shall be due and payable on each May 1 and November 1, commencing November 1, 2015, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 204. Denominations. The Series 2015 Bonds shall be issued in Authorized Denominations.

Section 205. Paying Agent. The District appoints the Trustee as Paying Agent for the Series 2015 Bonds.

Section 206. Bond Registrar. The District appoints the Trustee as Bond Registrar for the Series 2015 Bonds.

Section 207. Conditions Precedent to Issuance of Series 2015 Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2015 Bonds, all the Series 2015 Bonds shall be executed by the District for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the District or upon its order, but only upon the further receipt by the Trustee of:

- (a) Certified copies of the Series 2015 Assessment Proceedings;
- (b) Executed copies of the Master Indenture and this Fourth 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 Fourth Supplemental Indenture, and the Master Indenture and this Fourth 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 Fourth Supplemental Indenture, creates the valid pledge which it purports to

specified in such notice of redemption and may also be subject to rescission by the District if expressly set forth in such notice.

**ARTICLE IV
DEPOSIT OF SERIES 2015 BOND PROCEEDS AND
APPLICATION THEREOF; ESTABLISHMENT OF
ACCOUNTS AND OPERATION THEREOF**

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

- (a) There is hereby established within the Acquisition and Construction Fund held by the Trustee a Series 2015 Costs of Issuance Account.
- (b) There are hereby established, (i) within the Debt Service Fund held by the Trustee, a Series 2015 Debt Service Account and therein a Series 2015 Sinking Fund Account and a Series 2015 Interest Account; and (ii) in the Redemption Fund held by the Trustee, a Series 2015 Redemption Account, and, therein a Series 2015 Prepayment Subaccount and an Optional Redemption Subaccount;

(c) There is hereby established within the Reserve Fund held by the Trustee a Series 2015 Reserve Account, which shall be held for the benefit of all of the Series 2015 Bonds, without distinction and without privilege or priority of one Series 2015 Bond over another;

(d) There is hereby established within the Revenue Fund held by the Trustee a Series 2015 Revenue Account; and

(e) There is hereby established within the Rebate Fund held by the Trustee a Series 2015 Rebate Account.

Section 402. Use of Series 2015 Bond Proceeds. The net proceeds of sale of the Series 2015 Bonds, consisting of \$19,165,000 principal amount of Series 2015 Bonds, less Underwriter's discount of \$249,145.00, plus Net Original Issue Premium in the amount of \$118,011.30, resulting in net proceeds of \$19,033,866.30, together with \$5,530,968.14 transferred from the Funds and Accounts for the Refunded Bonds for a total of \$24,564,834.44 shall be, and, was, applied as follows:

(a) \$133,615.69, representing the costs of issuance relating to the Series 2015 Bonds shall be deposited from the net proceeds of the Series 2015 Bonds to the credit of the Series 2015 Costs of Issuance Account;

(b) \$754,375.00 shall be deposited from the net proceeds of the Series 2015 Bonds to the credit of the Series 2015 Reserve Account;

(c) the balance of the proceeds of the Series 2015 Bonds \$18,145,875.61, together with \$1,819,929.18 transferred from the Series 2003A Reserve Account, plus \$3,700,000 transferred from the 2003A Prepayment Subaccount and \$11,038.96 transferred from the Series 2003A Revenue Account for a total of \$23,676,843.75, shall be deposited to the Escrow Fund established pursuant to the Escrow Deposit Agreement to refund and redeem the Refunded Bonds on May 1, 2015.

All other moneys on deposit in the Funds and Accounts for the Series 2003A Bonds shall be transferred over and deposited into the Series 2015 Revenue Account.

Section 403. Series 2015 Costs of Issuance Account. The amount deposited in the Series 2015 Costs of Issuance Account shall, at the written direction of an Authorized Officer to the Trustee, be used to pay the costs of issuance relating to the Series 2015 Bonds. On September 1, 2015 any amounts remaining in the Series 2015 Costs of Issuance Account shall be transferred over and deposited into the Series 2015 Prepayment Subaccount in the Series 2015 Redemption Account in the Redemption Fund and used for the purposes permitted therefor.

Section 404. Series 2015 Reserve Account. Amounts on deposit in the Series 2015 Reserve Account shall be used only for the purpose of making payments into the Series 2015 Interest Account and the Series 2015 Sinking Fund Account to pay Debt Service on the Series 2015 Bonds, when due, without distinction as to Series 2015 Bonds and without privilege or priority of one Series 2015 Bond over another, to the extent the moneys on deposit in such Accounts and available therefor are insufficient and for no other purpose, except as specified in the Master Indenture and this Fourth Supplemental Indenture. Such Account shall consist only of cash and Series 2015 Investment Obligations.

Anything herein or in the Master Indenture to the contrary notwithstanding, on the forty-fifth (45th) day preceding each Redemption Date (or, if such forty-fifth (45th) day is not a Business Day, on the first

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amount of the Series 2015 Term Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2015 Term Bonds, taking into account the Outstanding Series 2015 Serial Bonds redeemed in accordance with Section 405(a) above.

Section 406. Tax Covenants and Rebate Accounts. The District shall comply with the Tax Regulatory Covenants set forth as an exhibit to the District's tax certificate issued in connection with the Series 2015 Bonds, as amended and supplemented from time to time in accordance with their terms.

Section 407. Establishment of Series 2015 Revenue Account in Revenue Fund; Application of Revenues and Investment Earnings.

(a) The Trustee is hereby authorized and directed to establish within the Revenue Fund a Series 2015 Revenue Account into which the Trustee shall deposit any and all amounts required to be deposited therein by this Section 407 or by any other provision of the Master Indenture or this Fourth Supplemental Indenture, and any other amounts or payments specifically designated by the District pursuant to a written direction or by a Supplemental Indenture for said purpose. The Series 2015 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 into Series 2015 Revenue Account the amounts other than Series 2015 Assessment Revenues required to be deposited therein in accordance with the provisions of this Supplemental Indenture. In addition, the District shall deposit Series 2015 Assessment Revenues with the Trustee as soon as practicable after receipt together with a written accounting setting forth the amounts of such Series 2015 Assessment Revenues in the following categories which shall be deposited by the Trustee into the Funds and Accounts established hereunder as follows:

(i) Series 2015 Prepayment Principal which shall be deposited into the Series 2015 Prepayment Subaccount in the Series 2015 Redemption Account;

(ii) Series 2015 Delinquent Assessment Principal, which shall first be applied to restore the amount of any withdrawal from the Series 2015 Reserve Account to pay the principal of Series 2015 Bonds, and, the balance, if any, shall be deposited into the Series 2015 Sinking Fund Account;

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Business day preceding such forty-fifth (45th) day) (or on such later date as determined in Section 407(c) for the transfer of funds for the extraordinary mandatory redemption of Series 2015 Bonds), the Trustee is hereby authorized and directed to recalculate the Series 2015 Reserve Account Requirement, taking into account any redemptions to be made on the next succeeding Redemption Date, and to transfer any excess on deposit in the Series 2015 Reserve Account, into the Series 2015 Prepayment Subaccount of the Series 2015 Redemption Account and applied to the extraordinary mandatory redemption of the Series 2015 Bonds.

On the earliest date on which there is on deposit in the Series 2015 Reserve Account, sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2015 Bonds, together with accrued interest and redemption premium, if any, on such Series 2015 Bonds to the earliest date of redemption permitted therein and herein, then the Trustee shall transfer the amount on deposit in the Series 2015 Reserve Account into the Series 2015 Prepayment Subaccount in the Series 2015 Redemption Account to pay and redeem all of the Outstanding Series 2015 Bonds on the earliest date permitted for redemption therein and herein.

Section 405. Amortization Installments; Selection of Bonds for Redemption. (a) The Amortization Installments established for the Series 2015 Term Bonds shall be as set forth in the forms of Bonds attached hereto. If there shall be issued Series 2015 Serial Bonds, such Series 2015 Serial Bonds shall be selected for redemption from Series 2015 Prepayments in such a manner that after such redemption, the then Outstanding principal amount of Series 2015 Serial Bonds and Series 2015 Term Bonds, after taking into account the provisions of Section 405(b) hereof, shall be payable in substantially equal annual installments of principal and interest (subject to rounding for Authorized Denominations) over the remaining term of such Outstanding Series 2015 Bonds. The District shall prepare and deliver to the Trustee a cash flow certificate of the type described in Section 506(b) of the Master Indenture reflecting such Debt Service payment schedule.

(b) Upon any redemption of Series 2015 Term Bonds (other than Series 2015 Term Bonds redeemed in accordance with scheduled Amortization Installments and other than Series 2015 Term Bonds redeemed at the direction of the District accompanied by a cash flow certificate as required by Section 506(b) of the Master Indenture), the District shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so as to amortize the Outstanding principal

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(iii) Series 2015 Delinquent Assessment Interest, which shall first be applied to restore the amount of any withdrawal from the Series 2015 Reserve Account to pay the interest on Series 2015 Bonds, and, the balance, if any, deposited into the Series 2015 Revenue Account; and

(v) all other Series 2015 Assessment Revenues, which shall be deposited into the Series 2015 Revenue Account.

(c) On the forty-fifth (45th) day preceding each Redemption Date (or if such forty-fifth (45th) day is not a Business Day, on the Business Day next preceding such forty-fifth (45th) day) or such later day as the Trustee shall determine will provide sufficient time to provide notice of extraordinary redemption as hereinafter provided, the Trustee shall determine the amount on deposit in the Series 2015 Prepayment Subaccount, and, if the balance therein is greater than zero, shall, if directed in writing by the District, transfer from the Series 2015 Revenue Account for deposit into the Series 2015 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to an integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2015 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2015 Prepayment Subaccount in accordance with the provisions for extraordinary redemption of the Series 2015 Bonds set forth in the form of Series 2015 Bond attached hereto, Section 301 hereof, and Article III of the Master Indenture.

(d) On May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall transfer amounts on deposit in the Series 2015 Revenue Account to the Funds and Accounts designated below in the following amounts and in the following order of priority:

FIRST, to the Series 2015 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2015 Term Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the Series 2015 Sinking Fund Account not previously credited;

SECOND, from the Series 2015 Revenue Account to the Series 2015 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all Series 2015 Bonds then Outstanding on such May 1 or

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November 1 less any other amount already on deposit in the Series 2015 Interest Account not previously credited;

THIRD, to the Series 2015 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2015 Reserve Account Requirement with respect to the Series 2015 Bonds; and

FOURTH, the balance shall be retained in the Series 2015 Revenue Account.

Anything herein to the contrary notwithstanding, it shall not, a fortiori, constitute an Event of Default hereunder if the full amount of the foregoing deposits are not made due to an insufficiency of funds therefor.

(e) On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction, and the Trustee shall, transfer from the Series 2015 Revenue Account to the Rebate Account established for the Series 2015 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 balance on deposit in the Series 2015 Revenue Account on such November 2 shall be retained therein or transferred to the District at the written direction of the District to be used for any lawful purpose; provided however, that on the date of such proposed transfer the amount on deposit in the Series 2015 Reserve Account in the Series 2015 Debt Service Reserve Fund shall be equal to the Series 2015 Reserve Account Requirement, and, provided further, that the Trustee shall not have actual knowledge (as described in Section 606 of the Master Indenture) of an Event of Default under the Master Indenture or hereunder relating to any of the Series 2015 Bonds, including the payment of Trustee's fees and expenses then due.

(g) Anything herein or in the Master Indenture to the contrary notwithstanding, earnings on investments in all of the Funds and Accounts held as security for the Series 2015 Bonds shall be invested only in Series 2015 Investment Obligations. Earnings on investments in the Series 2015 Debt Service Accounts, and the Subaccounts therein, the Costs of Issuance Account and the Series 2015 Redemption Account and the Subaccounts therein shall be deposited, as realized, to the credit of the Series 2015 Revenue Account and used for the purpose of such Account.

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Section 504. Extraordinary Fees and Expenses of Trustee. In the event that the Trustee shall be required under the Indenture or directed by the Owners of the Series 2015 Bonds to take actions to enforce the collection of Delinquent Assessments or to take any other extraordinary actions under the Indenture, the Trustee shall be entitled to withdraw its reasonable fees and expenses, including reasonable attorney fees, from the Series 2015 Trust Estate, which right shall have priority over all other rights.

ARTICLE VI ADDITIONAL BONDS

Section 601. Additional Bonds. The District covenants and agrees that so long as the Series 2015 Bonds are Outstanding, it will not to issue any other Bonds or other debt obligations secured by the Series 2015 Assessments. Such covenant shall not prohibit the District from issuing refunding bonds. In addition, the District covenants not to issue any other Bonds or other debt obligations secured by Assessments levied on assessable lands within the District which are also encumbered by the Series 2015 Assessments for any capital project unless the Series 2015 Assessments have been Substantially Absorbed. Without the consent of any owners the District may levy Assessments or other non-ad valorem assessments on any lands subject to the Series 2015 Assessments in connection with Bonds or other obligations issued to finance renovations, repairs and/or rehabilitation of the 2003A Project.

ARTICLE VII MISCELLANEOUS

Section 701. Confirmation of Master Indenture. As supplemented by this Fourth Supplemental Indenture, the Master Indenture is in all respects ratified and confirmed, and this Fourth 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 Fourth Supplemental Indenture and to the Series 2015 Bonds issued hereunder.

Section 702. Continuing Disclosure Agreement. Contemporaneously with the execution and delivery hereof, the District has

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Earnings on investments in the Series 2015 Reserve Account shall be disposed of as follows:

(i) if there was no deficiency (as defined in Section 509 of the Master Indenture) in the Series 2015 Reserve Account as of the most recent date on which amounts on deposit in the Series 2015 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2015 Reserve Account since such date which have created a deficiency, then earnings on the Series 2015 Reserve Account shall be deposited into Series 2015 Revenue Account and applied as provided for moneys on deposit therein; and

(ii) if as of the last date on which amounts on deposit in the Series 2015 Reserve Account were valued by the Trustee there was a deficiency (as defined in Section 509 of the Master Indenture), or if after such date withdrawals have been made from the Series 2015 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2015 Reserve Account shall be deposited into the Series 2015 Reserve Account until the amount on deposit therein is equal to the Series 2015 Reserve Account Requirement, and then earnings on the Series 2015 Reserve Account shall be deposited into the Series 2015 Revenue Account and applied as provided for moneys on deposit therein.

ARTICLE V CONCERNING THE TRUSTEE

Section 501. Acceptance by Trustee. The Trustee accepts the trusts declared and provided in this Fourth 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 Fourth 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 Fourth Supplemental Indenture, nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article VI thereof.

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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. Additional Covenant Regarding Assessments. In addition, and not in limitation of, the covenants contained elsewhere in this Fourth Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2015 Assessments, and to levy the Series 2015 Assessments and any required true up payments, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2015 Bonds, when due.

Section 704. Collection of Assessments. Anything herein or in the Master Indenture to the contrary notwithstanding, the District shall not be required to employ the Uniform Method to collect the Series 2015 Assessments with respect to any tax parcel which has not been platted for its intended use and issued a separate tax parcel identification number prior to the date on which a tax roll is required to be certified to the Tax Collector.

Section 705. Covenants with Regard to Enforcement and Collection of Delinquent Assessments. Anything herein or in the Master Indenture to the contrary notwithstanding, the District covenants and agrees that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of Delinquent Assessments, the provisions for the foreclosure of liens of Delinquent Assessments and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the direction of, and on behalf of, the Majority Owners.

If the owner of any tax parcel shall be delinquent in the payment of any Series 2015 Assessment, then such Series 2015 Assessment shall be enforced in accordance with the provisions of Chapters 170, 173 and/or 197, Florida Statutes, including but not limited to the sale of tax certificates and tax deed as regards such Delinquent Assessment. In the event the provisions of Chapter 197, Florida Statutes, are inapplicable or unavailable, then upon the delinquency of any Series 2015 Assessment, the entire unpaid balance of such Series 2015 Assessment may, by operation of law, be in default and, at its

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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 190.011(14), 190.026 and/or 170.10, Florida Statutes, or otherwise as provided by law. The District further covenants to furnish, at its expense, to any Owner of Series 2015 Bonds so requesting, sixty (60) days after the due date of each annual installment, a list of all Delinquent Assessments together with a copy of the District's annual audit, and a list of foreclosure actions currently in progress and the current status of such Delinquent Assessments.

If any tax certificates relating to Delinquent Series 2015 Assessments which are pledged to the Series 2015 Bonds are sold by the Tax Collector pursuant to the provisions of Section 197.432, Florida Statutes, or if any such tax certificates are not sold but are later redeemed, the proceeds of such sale or redemption (to the extent that such proceeds relate to the Series 2015 Assessments), less any commission or other charges retained by the Tax Collector, shall, if paid by the Tax Collector to the District, be paid by the District to the Trustee not later than five (5) Business Days following receipt of such proceeds by the District and shall be deposited by the Trustee to the credit of the Series 2015 Revenue Account.

If any property shall be offered for sale for the nonpayment of any Series 2015 Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2015 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount equal to the balance due on the Series 2015 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name title to the property for the benefit of the Owners of the Series 2015 Bonds. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the Series 2015 Revenue Account. The District may, with the consent of the Trustee or the Majority Owners, for such purposes create, or cause to be created, a single purpose entity to hold title to, and manage, any foreclosed property or property deeded in lieu of foreclosure pursuant to the foregoing and such single purpose entity shall comprise a part of the Series 2015 Trust Estate to the same extent as the Series 2015 Assessments which were Delinquent. Not less than ten (10) days prior to the filing of any foreclosure action as provided herein or in the Master Indenture, the District shall cause written notice

Section 707. Requisite Owners for Direction or Consent. Anything in the Master Indenture to the contrary notwithstanding, any direction or consent or similar provision which requires fifty-one percent of the Owners of the Series 2014 Bonds, shall in each case be deemed to refer to, and shall mean, the Majority Owners of the Series 2014 Bonds. If any provision hereof or of the Master Indenture provides that the Majority Owners may direct the Trustee to take any action, the Trustee shall also be entitled to take such action without such direction unless directed not to take such action by the Majority Owners.

Section 708. Assignment of District's Rights Under Collateral Assignment. The District hereby assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of the Series 2014 Bonds and any other Bonds issued under the Master Indenture. The Trustee shall not be deemed to have accepted any obligation under the Collateral Assignments by virtue of such assignment.

thereof to be mailed to any designated agents of the Owners of the Series 2015 Bonds. Not less than thirty (30) days prior to the proposed sale of any lot or tract of land acquired by foreclosure by the District, it shall give written notice thereof to such representatives. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for sale of property acquired by it for the Owners of Series 2015 Bonds within thirty (30) days after the receipt of the request therefor signed by the Trustee or the Majority Owners.

Section 706. Foreclosure of Assessment Lien. Notwithstanding Section 804 of the Master Indenture or any other provision of this Supplemental Indenture to the contrary, the following provisions shall apply with respect to the Series 2014 Assessments and Series 2014 Bonds.

If any property shall be offered for sale for the nonpayment of any Series 2014 Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2014 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount less than or equal to the balance due on the Series 2014 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name or in the name of a special-purpose entity title to the property for the benefit of the Owners of the Series 2014 Bonds; provided that the Trustee shall have the right, acting at the direction of the Majority Holders of the Series 2014 Bonds, but shall not be obligated, to direct the District with respect to any action taken pursuant to this Section. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power to lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the Series 2014 Revenue Account. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall, after being provided assurances satisfactory to it of payment of its fees, costs and expenses for doing so, be required to take the measures provided by law for listing for sale of property acquired by it as trustee for the benefit of the Owners of the Series 2014 Bonds within six (60) days after the receipt of the request therefor signed by the Trustee or the Majority Owners of the Series 2014 Bonds. The Trustee may, upon direction from the Majority Owners of the Series 2014 Bonds, pay costs associated with any actions taken by District pursuant to this paragraph from any moneys legally available for such purpose held under the Indenture.

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 Vice President.

SEAL **MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT**

Attest:

Secretary

By: _____
Chairman, Board of Supervisors

U.S. BANK NATIONAL ASSOCIATION, as successor in trust to First Union National Bank, as Trustee

By: _____
Vice President

EXHIBIT A
 FORM OF SERIES 2015 BONDS
 [TEXT OF SERIES 2015 BOND FACE]

No. Series 2015R- §

UNITED STATES OF AMERICA
 STATE OF FLORIDA
 MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT
 CAPITAL IMPROVEMENT REVENUE REFUNDING BOND,
 SERIES 2015

<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Dated</u> <u>Date</u>	<u>CUSIP</u>
--------------------------------	--------------------------------	-----------------------------	--------------

Registered Owner: CEDE & CO.

Principal Amount:

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT, a community development district duly established and existing pursuant to Chapter 190, Florida Statutes (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the registered Owner set forth above, or registered assigns, on the maturity date shown hereon, unless this Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture mentioned hereinafter) shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for, or, if no interest has been paid, from the Dated Date shown above on May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing on November 1, 2015, 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

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principal amount of the District's Capital Improvement Revenue Bonds, Series 20003A; (ii) pay certain costs associated with the issuance of the Series 2015 Bonds; and (iii) make a deposit into the Series 2015 Reserve Account for the benefit of all of the Series 2015 Bonds.

NEITHER THIS BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS BOND AND THE SERIES OF WHICH IT IS A PART AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON AND THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE MASTER INDENTURE OR IN THE SUPPLEMENTAL INDENTURE AUTHORIZING THE ISSUANCE OF THE SERIES 2015 BONDS. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE, OR THE SERIES 2015 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE, OR THE SERIES 2015 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2015 PLEDGED REVENUES AND THE SERIES 2015 PLEDGED FUNDS AND ACCOUNTS PLEDGED TO THE SERIES 2015 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.

IN WITNESS WHEREOF, Miromar Lakes Community Development District has caused this Bond to bear the signature of the Chairman of its

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paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (as hereinafter defined), be paid to the registered Owner hereof at the close of business on the regular record date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date, or, if such day is not a Business Day on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 of the Master Indenture (hereinafter defined), the payment of interest and principal or Redemption Price or Amortization Installments shall be made by the Paying Agent (hereinafter defined) to such person, who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the registered Owner of this Bond. Any payment of principal, Maturity Amount or Redemption Price shall be made only upon presentation hereof at the designated corporate trust office of U.S. Bank National Association, located in Fort Lauderdale, Florida, or any alternate or successor paying agent (collectively, the "Paying Agent"). Payment of interest shall be made by check or draft (or by wire transfer to the registered Owner set forth above if such Owner requests such method of payment in writing on or prior to the regular record date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner set forth above owns not less than \$1,000,000 in aggregate principal amount of the Series 2015 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 Refunding Bonds, Series 2015" in the aggregate principal amount of \$19,165,000 (the "Series 2015 Bonds") (the "Series 2015 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 U.S. Bank National Association, located in Fort Lauderdale, Florida, as successor in trust to First Union National Bank, as trustee (the "Trustee"), as amended and supplemented by an Fourth Supplemental Indenture, dated as of February 1, 2015 (the "Supplemental Indenture"), between the District and the Trustee (the Master Indenture as amended and supplemented by the Supplemental Indenture is hereinafter referred to as the "Indenture"). The Series 2015 Bonds are issued in an aggregate principal amount of \$19,165,000 to: (i) currently refund and redeem all of the Outstanding

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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.

**MIROMAR LAKES COMMUNITY
 DEVELOPMENT DISTRICT**

Attest:

 Secretary

By: _____
 Chairman, Board of Supervisors

[Official Seal]

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[FORM OF CERTIFICATE OF AUTHENTICATION FOR SERIES 2015 BONDS]

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

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Date of Authentication: By: _____
Vice President

[TEXT OF SERIES 2015 BOND]

This Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes (2015), and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the corporate trust office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, Maturity Amount and Redemption Price of, and the interest on, the Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of Assessments (as defined in the Indenture), the terms and conditions under which the Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Owners of the Bonds, and, by the acceptance of this Bond, the Owner hereof assents to all of the provisions of the Indenture. The Series 2015 Bonds are equally and ratably secured by the Series 2015 Trust Estate, without preference or priority of one Series 2015 Bond over another. The Supplemental Indenture does not authorize the issuance of any additional Bonds ranking on a parity with the Series 2015 Bonds as to the lien and pledge of the Series 2015 Trust Estate.

The Series 2015 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 Fort Lauderdale, Florida, as Bond Registrar (the "Bond Registrar"), upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably satisfactory to the Bond Registrar, subject to such reasonable regulations as the District or the Bond Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new Bond or Bonds, in the same aggregate principal amount as the Bond or Bonds transferred, will be issued to the transferee. At the corporate trust office of the Bond Registrar in Fort Lauderdale, Florida, in the manner and subject to the limitations and conditions provided in the Master Indenture and without cost, except for any tax or other governmental charge, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same

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maturity, of Authorized Denominations and bearing interest at the same rate or rates.

The Series 2015 Bonds are subject to redemption prior to maturity on or after May 1, 2025 at the option of the District, in whole or in part, on a Redemption Date (less than all Series 2015 Bonds to be selected by lot) at the Redemption Price of the principal amount being redeemed, together with accrued interest to the date of redemption and without premium.

The Series 2015 Term Bonds maturing May 1, 2020 are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2015 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:

<u>Year</u>	<u>Mandatory Sinking Fund Redemption Amount</u>
2016	\$610,000
2017	630,000
2018	650,000
2019	675,000
2020	700,000*

*Maturity

The Series 2015 Term Bonds maturing May 1, 2028 are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2015 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:

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<u>Year</u>	<u>Mandatory Sinking Fund Redemption Amount</u>
2021	730,000
2022	765,000
2023	805,000
2024	850,000
2025	890,000
2026	935,000
2027	985,000
2028	1,035,000*

*Maturity

The Series 2015 Term Bonds maturing May 1, 2035 are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2015 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:

<u>Year</u>	<u>Mandatory Sinking Fund Redemption Amount</u>
2029	1,090,000
2030	1,145,000
2031	1,205,000
2032	1,265,000
2033	1,330,000
2034	1,400,000
2035	1,470,000*

*Maturity

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As more particularly set forth in the Master Indenture and Supplemental Indenture, any Series 2015 Term Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Series 2015 Term Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of Series 2015 Term Bonds other than from scheduled Amortization Installments so as to reamortize the remaining Outstanding principal balance of the Series 2015 Term Bonds and Series 2015 Serial Bonds in substantial equal annual installments of principal and interest over the remaining term thereof (subject to rounding for Authorized Denominations) as set forth in the Supplemental Indenture.

The Series 2015 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole or in part on a Redemption Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption from amounts transferred to the Series 2015 Prepayment Subaccount of the Series 2015 Redemption Account in accordance with the terms of the Indenture, and, on the date on which the amount on deposit in the Series 2015 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2015 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2015 Bonds shall be called for redemption, the particular Series 2015 Bonds or portions of Series 2015 Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

Notice of each redemption of Series 2015 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date to each registered Owner of Series 2015 Bonds to be redeemed at the address of such registered Owner recorded on the bond register maintained by the Bond Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Indenture, the Series 2015 Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Series 2015 Bonds or such portions thereof on such date, interest on such Series 2015 Bonds or such portions thereof so called for redemption shall cease to accrue, such

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the Series 2015 Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

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

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

CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which refunds Bonds which 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 judgment having been taken.

Chairman

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Series 2015 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such Series 2015 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

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

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Series 2015 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 cash or Federal Securities (as defined in the Indenture) sufficient to pay the principal or redemption price of any Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of the Series 2015 Bonds as to

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[FORM OF ABBREVIATIONS FOR SERIES 2015 BONDS]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM as tenants in common

TEN ENT as tenants by the entireties

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

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

Additional abbreviations may also be used

though not in the above list.

[FORM OF ASSIGNMENT FOR SERIES 2015 BONDS]

For value received, the undersigned hereby sells, assigns and transfers unto

_____ within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the said Bond on the books of the District, with full power of substitution in the premises.

Dated:

Social Security Number or Employer

Identification Number of Transferee:

Signature guaranteed:

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

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NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Bond in every particular without alteration or any change whatever.

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APPENDIX B

**PROPOSED FORM OF APPROVING OPINION
OF BOND COUNSEL**

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**FORM OF BOND COUNSEL OPINION
WITH RESPECT TO THE SERIES 2015 BONDS**

Upon delivery of the Series 2015 Bonds in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, proposes to render its opinion with respect to the Series 2015 Bonds in substantially the following form:

(Date of Closing)

Board of Supervisors
Miromar Lakes Community
Development District

Re: \$19,165,000 Miromar Lakes Community Development District
Capital Improvement Revenue Refunding Bonds, Series 2015

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 "\$19,165,000 Miromar Lakes Community Development District Capital Improvement Revenue Refunding Bonds, Series 2015" (the "Series 2015 Bonds"). The Series 2015 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 Fourth Supplemental Trust Indenture, dated as of February 1, 2015 (the "Fourth Supplemental Indenture" and the Master Indenture as amended and supplemented by the Fourth Supplemental Indenture is hereinafter referred to as the "Indenture"), each from the District to U.S. Bank National Association, as successor in trust to First Union National Bank, Ft. Lauderdale, Florida, as trustee (the "Trustee") and resolutions adopted by the Board of Supervisors of the District on September 19, 2000 and December 11, 2014 (collectively, the "Bond Resolution"). The Series 2015 Bonds are issued for the purpose of: (i) providing funds to currently refund and redeem all of the Outstanding principal amount of the District's Capital Improvement Revenue Bonds, Series 2003A (the "Refunded Bonds"); (ii) paying certain costs associated with the issuance of the Series 2015 Bonds; and (iii) making a deposit into the Series 2015 Reserve Account for the benefit of the Series 2015 Bonds. The Series 2015 Bonds refund 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 Series 2015 Bonds are payable from and secured by the Series 2015 Assessments (as defined in the Indenture) on property within the District specially benefitted by the assessable improvements financed with the proceeds of the Series 2003A Bonds which are being refunded and also by the Series 2015 Pledged Revenues and Series 2015 Pledged Funds and Accounts comprising the Series 2015 Trust Estate.

The Series 2015 Bonds recite that neither the Series 2015 Bonds nor the interest and premium, if any, payable thereon shall constitute a general obligation or general indebtedness of the District within the meaning of the Constitution and laws of the State of Florida. The Series 2015 Bonds and the interest and premium, if any, payable thereon do not constitute either a pledge of the full faith and credit of the District or a lien upon any property of the District other than as provided in the Indenture authorizing the issuance of the Series 2015 Bonds. No Owner or any other person shall ever have the right to compel the exercise of any ad valorem taxing power of the District or any other public authority or governmental body to pay debt service or to pay any other amounts required to be paid pursuant to the Indenture or the Series 2015 Bonds. Rather, debt service and any other amounts required to be paid pursuant to the Indenture or the Series 2015 Bonds, shall be payable solely from, and shall be secured solely by the Series 2015 Pledged Revenues, together with the Series 2015 Pledged Funds and Accounts comprising the Series 2015 Trust Estate pledged to the Series 2015 Bonds, all as provided in the Series 2015 Bonds and in the Indenture.

We have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion. 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. As to questions of fact material to our opinion, we have relied upon the representations of the District contained in the Indenture and in the certified proceedings relating thereto and to the issuance of the Series 2015 Bonds and other certifications of public officials and documents furnished to us in connection therewith, without undertaking to verify the same by independent investigation. Furthermore, we have assumed continuing compliance with the covenants and agreements contained in the Indenture.

We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in any agreements, documents, certificates, representations and opinions relating to the Series 2015 Bonds, and have relied solely on the facts, estimates and circumstances described and set forth therein. In our examination of the foregoing, we have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

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, and assuming due authorization, execution and delivery by the Trustee, 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 Series 2015 Trust Estate in favor of the Series 2015 Bonds, including the Series 2015 Assessments, in the manner and to the extent provided in the Indenture.

3. The Series 2015 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 Act as amended to the date hereof, and the Series 2015 Bonds have been duly and validly authorized and issued in accordance with law and the Indenture.

4. Under existing statutes, regulations, rulings and court decisions, the interest on the Series 2015 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. The opinions set forth in this paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 2015 Bonds in order that interest thereon be (or continues to be) excluded

from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Series 2015 Bonds to be so included in gross income retroactive to the date of issuance of the Series 2015 Bonds. The District has covenanted in the Indenture to comply with all such requirements. Ownership of the Series 2015 Bonds may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding such federal tax consequences arising with respect to the Series 2015 Bonds.

5. The Series 2015 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.

The opinions expressed in paragraphs 2 and 3 hereof are qualified to the extent that the enforceability of the Indenture and the Series 2015 Bonds 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.

We are further of the opinion that the Series 2015 Bonds are exempt from registration under the Securities Act of 1933, as amended, and that the Indenture need not be qualified pursuant to the Trust Indenture Act of 1939, as amended.

We have not been engaged or undertaken to review (1) the accuracy, completeness or sufficiency of any offering memorandum or other offering material relating to the Series 2015 Bonds and we express no opinion relating thereto, or (2) the compliance with any federal or state law with regard to the sale or distribution of the Series 2015 Bonds and we express no opinion relating thereto. In addition, we have not passed upon and therefore express no opinion as to the compliance by any party involved in this financing, or, except as stated in the preceding paragraph, the necessity of such parties complying, with any federal or state registration requirements or security statutes, regulations or rulings with respect to the offer and sale of the Series 2015 Bonds.

We express no opinion with respect to any other document or agreement entered into by the District or by any other person in connection with the Series 2015 Bonds, other than as expressed herein.

Board of Supervisors
Miromar Lakes Community
Development District
(Date of Closing)

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This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We have examined the form of the Series 2015 Bonds and, in our opinion, the form of the Series 2015 Bonds is regular and proper.

Very truly yours,
NABORS, GIBLIN & NICKERSON, P.A.

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APPENDIX C

**PROPOSED FORM OF
CONTINUING DISCLOSURE AGREEMENT**

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) dated as of February 19, 2015 is executed and delivered by the Miromar Lakes Community Development District (the “Issuer” or the “District”), Miromar Lakes, LLC, a Florida limited liability company (the “Primary Landowner”), and JPWard & Associates, LLC, as dissemination agent (together with its successors and assigns, the “Dissemination Agent”) in connection with Issuer’s Capital Improvement Revenue Refunding Bonds, Series 2015 (the “Bonds”). The Bonds are secured pursuant to a Master Trust Indenture dated as of December 1, 2000 (the “Master Indenture”) and a Fourth Supplemental Trust Indenture dated as of February 1, 2015 (the “Fourth Supplemental Indenture” and, together with the Master Indenture, the “Indenture”), each entered into by and between the Issuer and U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America and having a designated corporate trust office in Fort Lauderdale, Florida, as trustee (the “Trustee”). The Issuer, the Primary Landowner and the Dissemination Agent covenant and agree as follows:

1. **Purpose of this Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the Issuer, the Primary Landowner and the Dissemination Agent for the benefit of the Beneficial Owners (as defined herein) of the Bonds and to assist the Participating Underwriter (as defined herein) of the Bonds in complying with the Rule (as defined herein). The Issuer has no reason to believe that this Disclosure Agreement does not satisfy the requirements of the Rule, and the execution and delivery of this Disclosure Agreement is intended to comply with the Rule. To the extent it is later determined by a court of competent jurisdiction, a governmental regulatory agency, or an attorney specializing in federal securities law, that the Rule requires the Issuer or the Primary Landowner to provide additional information, the Issuer and Primary Landowner, as applicable, agree to promptly provide such additional information.

The provisions of this Disclosure Agreement are supplemental and in addition to the provisions of the Indenture with respect to reports, filings and notifications provided for therein, and do not in any way relieve the Issuer, the Trustee or any other person of any covenant, agreement or obligation under the Indenture (or remove any of the benefits thereof) nor shall anything herein prohibit the Issuer, the Trustee or any other person from making any reports, filings or notifications required by the Indenture or any applicable law.

2. **Definitions.** Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Indenture. The following capitalized terms as used in this Disclosure Agreement shall have the following meanings:

“Annual Filing Date” means the date set forth in Section 3(a) hereof by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i)(A) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Assessment Area” shall mean that portion of the District subject to Assessments.

“Assessments” shall mean the non-ad valorem Series 2015 Assessments pledged to the payment of the Bonds pursuant to the Indenture.

“Audited Financial Statements” means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

“Audited Financial Statements Filing Date” means the date set forth in Section 3(a) hereof by which the Audited Financial Statements are to be filed with the MSRB if the same are not included as part of the Annual Report.

“Beneficial Owner” shall mean any person which, (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Business Day” means any day other than (a) a Saturday, Sunday or a day on which banks located in the city in which the designated corporate trust office of the Trustee is located are required or authorized by law or executive order to close for business, and (b) a day on which the New York Stock Exchange is closed.

“Disclosure Representative” shall mean (i) as to the Issuer, the District Manager or its designee, or such other person as the Issuer shall designate in writing to the Dissemination Agent from time to time as the person responsible for providing information to the Dissemination Agent; and (ii) as to each entity comprising an Obligated Person (other than the Issuer), the individuals executing this Disclosure Agreement on behalf of such entity or such person(s) as such entity shall designate in writing to the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent.

“Dissemination Agent” shall mean the Issuer or an entity appointed by the Issuer to act in the capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer pursuant to Section 8 hereof. JPWard & Associates, LLC, has been designated as the initial Dissemination Agent hereunder.

“District Manager” shall mean JPWard & Associates, LLC, and its successors and assigns.

“EMMA” means the Electronic Municipal Market Access system for municipal securities disclosures located at <http://emma.msrb.org/>.

“EMMA Compliant Format” shall mean a format for any document provided to the MSRB (as hereinafter defined) which is in an electronic format and is accompanied by identifying information, all as prescribed by the MSRB.

“Fiscal Year” shall mean the period commencing on October 1 and ending on September 30 of the next succeeding year, or such other period of time provided by applicable law.

“Limited Offering Memorandum” shall mean that Limited Offering Memorandum dated February 10, 2015, prepared in connection with the issuance of the Bonds.

“Listed Events” shall mean any of the events listed in Section 6(a) of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board.

“Obligated Person(s)” shall mean, with respect to the Bonds, those person(s) who either generally or through an enterprise fund or account of such persons are committed by contract or other arrangement to support payment of all or a part of the obligations on such Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), which person(s) shall include the Issuer, and for the purposes of this Disclosure Agreement, the Primary Landowner and its affiliates, successors or assigns (excluding homebuyers who are end users), for so long as such the Primary Landowner or its respective affiliates, successors or assigns (excluding homebuyers who are end users) are the owner or optionee of District lands responsible for payment of at least 20% of the Assessments.

“Participating Underwriter” shall mean fmsbonds, Inc.

“Quarterly Filing Date” shall mean for the quarter ending: (i) December 31, each February 1 of the following year; (ii) March 31, each May 1; (iii) June 30, each August 1; and (iv) September 30, each November 1. The first Quarterly Filing Date shall be May 1, 2015.

“Quarterly Report” shall mean any Quarterly Report provided by any Obligated Person (other than the Issuer) pursuant to, and as described in, Section 5 of this Disclosure Agreement.

“Repository” shall mean each entity authorized and approved by the SEC (as hereinafter defined) from time to time to act as a repository for purposes of complying with the Rule. The Repositories approved by the SEC may be found by visiting the SEC’s website at <http://www.sec.gov/info/municipal/nrmsir.htm>. As of the date hereof, the Repository recognized by the Securities and Exchange Commission for such purpose is the MSRB, which currently accepts continuing disclosure submissions through its EMMA web portal. As used herein, “Repository” shall include the State Repository, if any.

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

“SEC” means the Securities and Exchange Commission.

“State” shall mean the State of Florida.

“State Repository” shall mean any public or private repository or entity designated by the State as a state repository for the purposes of the Rule.

3. **Provision of Annual Reports.**

(a) Subject to the following sentence, the Issuer shall provide the Annual Report to the Dissemination Agent no later than one hundred eighty (180) days after the close of the Issuer’s Fiscal Year (the “Annual Filing Date”), commencing with the Annual Report for the Fiscal Year ended September 30, 2015. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; *provided that* the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report, and may be submitted in accordance with State law, which currently requires such Audited Financial Statements to be provided up to, but no later than, nine (9) months after the close of the Issuer’s Fiscal Year (the “Audited Financial Statements Filing Date”). The Issuer shall, or shall cause the Dissemination Agent to, provide to the Repository the components of an Annual Report which satisfies the requirements of Section 4(a) of this Disclosure Agreement within thirty (30) days after same becomes available, but in no event later than the Annual Filing Date or Audited Financial Statements Filing Date, as applicable. If the Issuer’s Fiscal Year changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 6.

(b) If on the fifteenth (15th) day prior to each Annual Filing Date or the Audited Financial Statements Filing Date, as applicable, the Dissemination Agent has not received a copy of the Annual Report or Audited Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be via email) to remind the Issuer of its undertaking to provide the Annual Report or Audited Financial Statements, as applicable, pursuant to Section 3(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report or the Audited Financial Statements, as applicable, in accordance with Section 3(a) above, or (ii) advise the Dissemination Agent in writing that the Issuer will not be able to file the Annual Report or Audited Financial Statements, as applicable, within the times required under this Disclosure Agreement, state the date by which the Annual Report or the Audited Financial Statements for such year, as applicable, will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 6(a)(xv) has occurred and to immediately send a notice to the Repository in substantially the form attached hereto as Exhibit A.

(c) If the Dissemination Agent has not received an Annual Report by 12:00 noon on the first (1st) Business Day following the Annual Filing Date for the Annual Report or the Audited Financial Statements by 12:00 noon on the first (1st) Business Day following the Audited Financial Statements Filing Date for the Audited Financial Statements, then a Listed Event as described in Section 6(a)(xv) shall have occurred and the Issuer irrevocably directs the Dissemination Agent to immediately send a notice to the Repository in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the Annual Filing Date the name, address and filing requirements of the Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Issuer stating that the Annual Report or Audited Financial Statement has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing all Repositories with which it was filed.

(e) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an EMMA Compliant Format.

4. **Content of Annual Reports.**

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the following:

(i) The amount of Assessments levied for the most recent prior Fiscal Year.

(ii) The amount of Assessments collected from the property owners during the most recent prior Fiscal Year.

(iii) If available, the amount of delinquencies greater than one hundred fifty (150) days, and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of the Assessments due in any year, a list of delinquent property owners.

(iv) If available, the amount of tax certificates sold for lands within the Assessment Area, if any, and the balance remaining for sale, if any, from the most recent Fiscal Year.

(v) All fund balances in all Funds and Accounts for the Bonds.

(vi) The total amount of Bonds Outstanding.

(vii) The amount of principal and interest to be paid on the Bonds in the current Fiscal Year.

(viii) The most recent Audited Financial Statements of the Issuer.

(ix) In the event of any amendment or waiver of a provision of this Disclosure Agreement, a description of such amendment or waiver in the next Annual Report, and in each case shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change in accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in

preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(b); and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

To the extent any of the items set forth in subsections (i) through (vii) above are included in the Audited Financial Statements referred to in subsection (viii) above, they do not have to be separately set forth. Any or all of the items listed above may be incorporated by reference from other documents, including limited offering memorandums and official statements of debt issues of the Issuer or related public entities, which have been submitted to the MSRB or the SEC. If the document incorporated by reference is a final limited offering memorandum or official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

(b) The Issuer and each Obligated Person agree to supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The Issuer acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the Issuer, Obligated Persons and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the Issuer, an Obligated Person or others as thereafter disseminated by the Dissemination Agent.

(c) Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

5. Quarterly Reports.

(a) Each Obligated Person (other than the Issuer) shall provide an electronic copy of the Quarterly Report to the Dissemination Agent no later than ten (10) days prior to the Quarterly Filing Date. Promptly upon receipt of an electronic copy of the Quarterly Report, but in any event no later than the Quarterly Filing Date, the Dissemination Agent shall provide a Quarterly Report to the Repository.

(b) Each Quarterly Report shall contain an update of the following information for each Obligated Person, as to the Obligated Person only, to the extent available:

(i) The number and type of lots in the Assessment Area subject to the Assessments.

(ii) The number and type of lots planned for the Assessment Area.

(iii) The number and type of lots owned in the Assessment Area by the Obligated Person.

(iv) The number and type of lots in the Assessment Area owned by the Obligated Person under contract with a home builder and closed with a home builder and the name of such builder.

(v) The number and type of homes under construction and the number and type of homes constructed in the Assessment Area by the Obligated Person.

(vi) The number and type of homes under contract with homebuyers in the Assessment Area by the Obligated Person.

(vii) The number and type of homes closed with homebuyers (delivered to end users) in the Assessment Area by the Obligated Person.

(viii) Any change to the number or type of lots planned to be developed in the Assessment Area by the Obligated Person.

(ix) Materially adverse changes or determinations to permits/approvals for the development of the Assessment Area which necessitate changes to the land use plans of any Obligated Person.

(x) The occurrence of any new or modified mortgage debt on the land owned by the Obligated Person in the Assessment Area, including the amount, interest rate and terms of repayment.

(c) If an Obligated Person sells, assigns or otherwise transfers ownership of real property in the Assessment Area (a "Transferor Obligated Person") to a third party, which will in turn be an Obligated Person for purposes of this Disclosure Agreement as a result thereof (a "Transfer"), the Transferor Obligated Person hereby agrees to use its best efforts to contractually obligate such third party to agree to comply with the disclosure obligations of an Obligated Person hereunder for so long as such third party is an Obligated Person hereunder, to the same extent as if such third party were a party to this Disclosure Agreement. The Transferor Obligated Person shall notify the District and the Dissemination Agent in writing of any Transfer within two (2) Business Days of the occurrence thereof. In the event that the Transferor Obligated Person remains an Obligated Person hereunder following any Transfer, nothing herein shall be construed to relieve the Transferor Obligated Person from its obligations hereunder.

(d) If the Dissemination Agent has not received a Quarterly Report that contains, at a minimum, the information in Section 5(b) of this Disclosure Agreement by 12:00 noon on the first (1st) Business Day following each Quarterly Filing Date, a Listed Event described in Section 6(a)(xv) shall have occurred, and the District and each Obligated Person hereby direct the Dissemination Agent to send a notice to the Repository in substantially the form attached as Exhibit A, with a copy to the District. The Dissemination Agent shall file such notice no later than thirty (30) days following the applicable Quarterly Filing Date.

6. **Reporting of Significant Events.**

(a) This Section 6 shall govern the giving of notices of the occurrence of any of the following Listed Events:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on the Debt Service Reserve Fund reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties; *
- (v) Substitution of credit or liquidity providers, or their failure to perform; *
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bond holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes; *
- (xii) Bankruptcy, insolvency, receivership or similar event of the Issuer or any Obligated Person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer or any Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer or any Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer or any Obligated Person);
- (xiii) Consummation of a merger, consolidation, or acquisition involving the Issuer or any Obligated Person or the sale of all or substantially all of the assets of the Issuer or any Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

* Not initially applicable to the Bonds.

(xiv) Appointment of a successor or additional Trustee or the change of name of the Trustee, if material; and

(xv) Failure to provide (A) any Annual Report or Audited Financial Statement as required under this Disclosure Agreement that contains, in all material respects, the information required to be included therein under Section 4(a) of this Disclosure Agreement, or (B) any Quarterly Report that contains, in all material respects, the information required to be included therein under Section 5(b) of this Disclosure Agreement, which failure shall, in all cases, be deemed material under federal securities laws.

(b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the above subsection (a) Listed Events to the Dissemination Agent in writing in sufficient time in order to allow the Dissemination Agent to file notice of the occurrence of such Listed Event in a timely manner not in excess of ten (10) Business Days after its occurrence, with the exception of the Listed Event described in Section 6(a)(xv), which notice will be given in a timely manner. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below. Such notice shall identify the Listed Event that has occurred, include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth (10th) Business Day after the occurrence of the Listed Event).

(c) Each Obligated Person shall notify the Issuer of the occurrence of a Listed Event described in subsections (a)(x), (xii) or (xiii) above within five (5) Business Days after the occurrence of the Listed Event so as to enable the Issuer to comply with its obligations under this Section 6.

(d) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall immediately file a notice of such occurrence with each Repository.

7. **Termination of Disclosure Agreement.** This Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

8. **Dissemination Agent.** Upon termination of the Dissemination Agent's services as Dissemination Agent, whether by notice of the Issuer or the Dissemination Agent, the Issuer agrees to appoint a successor Dissemination Agent or, alternatively, agrees to assume all responsibilities of Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. If at any time there is not any other designated Dissemination Agent, the District shall be deemed to be the Dissemination Agent. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Dissemination Agent hereunder. The initial Dissemination Agent shall be JPWard & Associates, LLC. The acceptance of such designation is evidenced by the execution of this Disclosure Agreement by a duly authorized signatory of JPWard & Associates, LLC. JPWard & Associates, LLC, may terminate its role as Dissemination Agent at any time upon delivery of written notice to the District and each Obligated Person.

9. **Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, acceptable to the Issuer, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment and/or waiver in the next Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change in accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(b); and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Notwithstanding the above provisions of this Section 9, no amendment to the provisions of Section 5(b) hereof may be made without the consent of the each Obligated Person, if any.

10. **Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

11. **Default.** In the event of a failure of the Issuer, the Disclosure Representative, any Obligated Person or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and receipt of indemnity satisfactory to the Trustee, shall), or any beneficial owner of a Bond may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer, the Disclosure Representative, any Obligated Person or a Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement by any Obligated Person shall not be deemed a default by the Issuer hereunder and no default hereunder shall be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer, the Disclosure Representative, any Obligated Person, or a Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

12. **Duties of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement between the District, the Primary Landowner and such Dissemination Agent. The Dissemination Agent shall have no obligation to notify any other party hereto of an event that may constitute a Listed Event. The District, each Obligated Person and the Disclosure Representative covenant that they will supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The District, the Primary Landowner and the Disclosure Representative acknowledge and agree that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, Obligated Person(s), the Disclosure Representative and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the District, any Obligated Person or the Disclosure Representative as thereafter disseminated by the Dissemination Agent. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA compliant format.

13. **Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Primary Landowner, the Dissemination Agent, the Trustee, the Participating Underwriter and the Owners of the Bonds (the Trustee, Participating Underwriter and Owners of the Bonds being hereby deemed express third party beneficiaries of this Disclosure Agreement), and shall create no rights in any other person or entity.

14. **Tax Roll and Budget.** Upon the request of the Dissemination Agent, the Trustee or any Bondholder, the Issuer, through its District Manager, if applicable, agrees to provide such party with a certified copy of its most recent tax roll provided to the Lee County Tax Collector and the Issuer's most recent adopted budget.

15. **Governing Law.** The laws of the State of Florida and Federal law shall govern this Disclosure Agreement, and venue shall be any state or federal court having jurisdiction in Lee County, Florida.

16. **Counterparts.** This Disclosure Agreement may be executed in several counterparts and by PDF signature and all of which shall constitute but one and the same instrument.

17. **Trustee Cooperation.** The Issuer represents that the Dissemination Agent is a bona fide agent of the Issuer, and the Issuer instructs the Trustee to deliver to the Dissemination Agent, at the expense of the Issuer, any information or reports the Dissemination Agent requests in writing.

18. **Binding Effect.** This Disclosure Agreement shall be binding upon each party to this Disclosure Agreement and upon each successor and assignee of each party to this Disclosure Agreement and shall inure to the benefit of, and be enforceable by, each party to this Disclosure Agreement and each successor and assignee of each party to this Disclosure Agreement. Notwithstanding the foregoing, as to the Primary Landowner or any assignee or successor thereto that becomes an Obligated Person pursuant to the terms of this Disclosure Agreement, only

successor or assignees to such parties who are, by definition, Obligated Persons, shall be bound or benefited by this Disclosure Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Agreement as of the date and year set forth above.

**MIROMAR LAKES COMMUNITY
DEVELOPMENT DISTRICT, AS ISSUER**

[SEAL]

By: _____
Chairperson, Board of Supervisors

ATTEST:

By: _____
Assistant Secretary

**MIROMAR LAKES, LLC, AS PRIMARY
LANDOWNER**

By: _____
Name: _____
Title: _____

**JPWARD & ASSOCIATES, LLC, AS
DISSEMINATION AGENT**

By: _____
Name: _____
Title: _____

CONSENTED TO AND AGREED TO BY:

DISTRICT MANAGER

**JPWARD & ASSOCIATES, LLC, AS
DISTRICT MANAGER**

By: _____
Name: _____
Title: _____

Acknowledged and agreed to for purposes of
Sections 11, 13 and 17 only:

**U.S. BANK NATIONAL ASSOCIATION, AS
TRUSTEE**

By: _____

Name: _____

Title: _____

EXHIBIT A

**FORM OF NOTICE TO REPOSITORIES OF FAILURE TO FILE
[ANNUAL/ AUDITED FINANCIAL STATEMENTS /QUARTERLY] REPORT**

Name of Issuer: Miromar Lakes Community Development District

Name of Bond Issue: \$19,165,000 original aggregate principal amount of Capital Improvement Revenue Refunding Bonds, Series 2015

Obligated Person(s): Miromar Lakes Community Development District;
Miromar Lakes, LLC

Original Date of Issuance: February 19, 2015

CUSIP Numbers: [604710 AF0; 604710 AG8; 604710 AH6]

NOTICE IS HEREBY GIVEN that [the Issuer] [the Primary Landowner] has not provided an [Annual Report] [Audited Financial Statements] [Quarterly Report] with respect to the above-named Bonds as required by [Section 3] [Section 5] of the Continuing Disclosure Agreement dated February 19, 2015 by and between the Issuer, the Primary Landowner and the Dissemination Agent named therein. The Issuer has advised the undersigned that it anticipates that the [Annual Report] [Audited Financial Statements] [Quarterly Report] will be filed by _____, 20____.

Dated: _____

_____, as Dissemination Agent

By: _____

Name: _____

Title: _____

cc: Issuer
Trustee

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APPENDIX D

ASSESSMENT METHODOLOGY REPORT

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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
407-382-3256
Fishkind.Com**

**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 630,000 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.

¹ Institute of Transportation Engineers (1997) Trip Generation (6th Edition), Wahsington, D.C.

TABLE 4. CATEGORIES OF BENEFITS FROM THE DISTRICT'S CIP

INFRASTRUCTURE	ALLOCATION METHOD
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 Unit
Single family	9.57	176	1,684	6.91%	\$1,784,873	\$10,141
Villas	5.86	183	1,072	4.40%	\$1,136,401	\$6,210
Multi family	6.63	1,734	11,496	47.15%	\$12,182,751	\$7,026
Beach Club/Marina	37.00	5	37	0.15%	\$39,209	\$7,842
Golf Course/Club House	35.74	10	357	1.47%	\$378,737	\$37,874
Commercial	42.92	252	9,734	39.92%	\$10,315,386	\$40,934
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 REPORT FOR THE SERIES 2003 BONDS MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

December 18, 2003

Prepared for the

**Board of Supervisors of the
Miromar Lakes Community Development District**

Prepared by

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**SUPPLEMENTAL ASSESSMENT REPORT
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT**

December 18, 2003

1.0 Introduction

1.1 Purpose

This Supplemental Assessment Report ("Supplement" or "Supplemental Report") demonstrates the application of the Master Assessment Methodology ("Methodology") for the Miromar Lakes Community Development District ("District") as it relates to its Series 2003 Bonds. The Methodology has two stated goals: (1) to estimate the special benefits provided to properties within the District which result from the installation of the Capital Improvement Program ("CIP") and (2) to equitably and fairly apportion the duty to pay incurred by the District to provide these special benefits.

It is the District's adopted CIP that will allow for the development of property within the District. The CIP confers special benefits peculiar to the properties within the District. This Supplement equitably allocates the costs and debt incurred by the District to provide the benefits of the 2003 Project to certain properties within the District and apportions the duty to pay in a fair and reasonable manner.

This is the District's second Supplemental Assessment Report. The first Supplemental Report detailed the particulars involving the Series 2000 Bonds. The Series 2000 Bonds funded the Series 2000 Project (Phase 1 of the Capital Improvement Program). This Supplemental Report details the particulars involving the Series 2003 Bonds. The Series 2003 Bonds will fund the Series 2003 Project (Phases 2 and 3 of the Capital Improvement Program). These bonds will be repaid from the proceeds of an assessment levied by the District's Board of Supervisors. The levy will take the form of the non-ad valorem special assessments that will result in liens against properties within the boundary of the District that receive special peculiar benefits from the CIP and that are apportioned in a fair and reasonable manner. The algorithms and logic used in this report are the same algorithms and logic found in the Master Assessment Methodology (September 19, 2000).

1.2 Special Benefits and General Benefits

Improvements undertaken by the District create both special benefits and general benefits. However, these general benefits to the public at large are incidental in nature and are readily distinguishable from the special benefits which accrue to property within the District. The CIP of the District enables properties within its boundaries to be developed. Without the District's CIP there would be no infrastructure to support development of land within the District. 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 Capital Improvement 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 CIP to obtain, or to maintain their development entitlements. This fact alone clearly distinguishes the special benefits which District properties receive compared to those properties lying outside of the District's boundaries.

At this time the Financial Advisor can not calculate the exact amount of benefit conferred to the specially benefited properties, but it is our opinion that the benefits exceed the costs of the financed infrastructure.

1.3 Requirements of a Valid Assessment Methodology

Valid special assessments under Florida law have two requirements. First, the properties assessed must receive a special and peculiar benefit from the improvements paid for via the assessments as a logical connection to the property. Second, the assessments must be fairly and reasonably apportioned 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 the mathematical perfection of calculated special benefit is probably impossible at the time of levy but must be capable of determination with mathematical certainty in the future. Only if the District's Board was to act in an arbitrary, capricious, or grossly unfair fashion would its assessment methods be overturned.

2.0 The Series 2003 Bonds

2.1 Development Program

The District is financing the final phases of infrastructure which are required in support of the completion of the vertical development program. The mix of units in the vertical development program has been revised. The current mix of vertical development units are described in the Development Program detailed in Table 1 (Appendix). The Development Program is defined as the projected type and number of development units that are intended to be supported by the CIP. As shown in Table 1 the overall number of development units has increased. This Development Program may continue to evolve over time.

2.2 Capital Improvement Program – The 2003 Project

The District Engineer has identified certain infrastructure that will be provided by the CDD and has provided a cost estimate for that infrastructure. The District Engineer's Report revised October 23, 2000 describes the Capital Improvement Program.

The 2003 Project consists of Phase 2 and Phase 3 of the CIP. The costs of these Phases are estimated at \$22,840,000. Table 2 (Appendix) summarizes the costs associated with the Series 2000 Project and the Series 2003 Project.

2.3 Bond Requirements

The District intends to finance the 2003 Project by issuing the Series 2003 Bonds.

In addition to the construction and/or acquisition requirements of the 2003 Project, allowances have been made for a debt service reserve, capitalized interest, costs of issuance, underwriter's discount, and rounding. The component details for the Series 2003 Bonds can be found in Table 3.

The Series 2003 Bonds are structured as one 30-year term bond due May 1, 2035. Interest is capitalized on the Series 2003 Bonds through November 1, 2005 and the first sinking fund installment is May 1, 2006. The coupon rate of the Series 2003 Bonds is 6.5%.

Table 3 also shows the par value of the Series 2000 Bonds. The Series 2000 together with the Series 2003 Bonds fully fund the CIP.

3.0 Assessment Allocation

3.1 Structure

Special and peculiar benefits are conveyed to the properties within the District flowing from the implementation of the CIP. To determine these benefits, the District engineer first estimates the costs for all systems and facilities needed to support the Development Program. Then the financed infrastructure costs are apportioned to the benefited properties in relationship to the special and peculiar benefits that each property receives from the District's CIP. The Assessment Methodology detailed herein provides the mechanism by which these costs, based on an estimated determination of benefit, are apportioned to the assessable lands within the District for levy and collection.

3.2 Capital Improvement Program as a System of Improvements

The District is undertaking the responsibility of providing infrastructure to portions of the District. As designed, the CIP is an integrated set of facilities. Each infrastructure facility works as a system to provide benefits to the lands within the District. Taken as a system the transportation system consists not only of the first mile of roadway, but also the last few feet. As a system, all landowners benefit from the first mile of roadway pavement. Additionally, all landowners benefit from the last few feet of roadway pavement. This logic can also be used when considering the water and sewer system.

The CIP anticipated by the District is considered a multi-year construction program. As a practicality, most multi-year improvement programs are constructed in phases. These phases are usually devised so that the management and financing of the construction are performed in coordination with the sales program for the community. Under such a phasing plan, each part of the CIP is designed to be functional and confer special benefits to the landowners prior to the subsequent phases having to be in place. Therefore, each phase of a multi-phase capital improvement program can be financed independently of the other phases.

The CIP consists of offsite roadway projects, storm water management, utilities, and recreation/safety amenities that benefit all of the land within the District. Therefore, all of the planned development units within the District will share in the repayment of the bonds. Therefore, the financial plan envisions that the District will impose special assessments on all assessable acres within its boundaries that benefit from the CIP and are funded through the District's bonds. Prior to platting, assessments to repay the debt associated with the CIP will be levied against all of the

developable land within the District on an equal acreage basis, because at that juncture every acre benefits equally from the CIP. These special assessments will be levied in sufficient amounts to fund interest and principal payments as they come due.

3.3 Benefit Apportionment

Development within Miromar Lakes is ongoing and a number of development units are platted. Table 4 shows the units that are platted and sold against the updated Development Program. Table 5 shows the Series 2000 debt that has been allocated to the 492 platted and sold units. Of the approximately \$41.9 million of Series 2000 Bonds issued, approximately \$13 million has been assigned to the platted and sold units. The balance of the Series 2000 Bonds and all of the Series 2003 Bonds are to be apportioned and allocated to the 2,076 remaining development units noted on Table 4.

The District is similar in many ways to other Florida community development districts in that the CIP consists of 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 as shown in Table 6. 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 roadway allocations are shown on Table 7.

¹ Institute of Transportation Engineers (1997) Trip Generation (6th Edition), Washington, D.C.

The second major infrastructure system is the storm water management system. It provides benefits to every acre of developable land that is served by the system. The storm water management system consists of wet detention ponds to capture and treat storm water runoff from the developed areas and control structures that regulated 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 storm water allocations are shown on Table 8.

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. The utility and amenity allocations are shown on Table 9.

Table 10 summarizes the roadway, storm water, utility, and amenity allocations.

3.4 Assignment of Assessments

It is useful to consider three distinct states or conditions of development within a community. The initial condition is the "undeveloped state". At this point the infrastructure may or may not be installed but none of the units in the Development Program have been platted. This condition exists when the infrastructure program is financed prior to any development. In the undeveloped state all of the lands within the District receive benefit from the CIP and all of the land within the District would be assessed to repay any bonds issued to fund the CIP. These assessments would be calculated on an equal acre basis.

The second condition is "on-going development". At this point the installation of infrastructure has begun. Additionally, the Development Program has started to take shape. The District is in a state of "on-going development." As components of the Development Program are platted, the development units are assigned specific assessments in relation to the estimated benefit that each unit receives from the balance of the 2000 Project and the 2003 Project. Therefore, each platted unit would be assigned a par debt assessment as prescribed in Table 10 (Total Allocation/Unit). The remaining unassigned debt would continue to reside on the balance of the unplatted land. The unplatted land would continue to be assessed on an equal acre basis.

The third condition is the "completed development state". In this condition the entire Development Program has been platted and the total par value of the bonds has been assigned as specific assessments to each of the development units within the Development Program.

The Total Allocation per Unit figures noted on Table 10 are at a level that may impede the sale of real estate within the District. Therefore, the developer may, at the time of closing to a retail buyer, may make a debt reduction payment to reduce the overall amount of debt on a development unit. Table 11 shows the estimated long-term debt that will remain on the various units within the Development Program after the debt reduction payment. The residential Series A debt figures (Single Family, Villa, and Multi-Family) are based on gross annual assessments of \$1,200, \$1,000, and \$800 respectively. These par debt amounts were calculated based on a 30-year term and an interest rate of 6.5%.

4.0 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. 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.

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.

APPENDIX

TABLE 1
MIROMAR LAKES CDD
DEVELOPMENT PROGRAM
SERIES 2003 BONDS

Vertical Development Program

<u>Product</u>	<u>Old Unit Count</u>	<u>2003 Update (1)</u>
Single Family	176	123
Villa	183	311
Multifamily	1,734	1,867
Beach Club/Marina	5	5
Golf Course/Club House	10	10
Commercial	<u>252</u>	<u>252</u>
Total Units	2,360	2,568

(1) Unit mix is subject to change based on marketing and other factors.

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**TABLE 2
MIROMAR LAKES CDD
CAPITAL IMPROVEMENT PROGRAM
SERIES 2003 BONDS**

<u>Capital Improvement Program</u>	<u>Phase 1 Costs</u>		<u>Phase 2 & 3 Costs</u>		<u>Total CIP Costs</u>
	<u>Series 2000 Project</u>		<u>Series 2003</u>	<u>Project</u>	
Offsite Roadways and Related items	\$ 4,552,663		\$ 2,050,000	\$ 6,602,663	
Stormwater Management	\$ 20,891,930		\$ 14,755,000	\$ 35,646,930	
Utilities	\$ 1,941,918		\$ 4,000,000	\$ 5,941,918	
Recreation/Safety Amenities	\$ 5,730,283		\$ 2,035,000	\$ 7,765,283	
<i>Total Infrastructure</i>	\$ 33,116,794		\$ 22,840,000	\$ 55,956,794	

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TABLE 3 MIROMAR LAKES CDD BOND SIZE SERIES 2003 BONDS
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Par Value of Series 2000A Bonds	\$	14,530,000
Par Value of Series 2000B Bonds	\$	<u>27,395,000</u>
Total Par Value of Series 2000 Bonds	\$	41,925,000

Par Amount of
Series 2003 Bonds

Construction Fund	\$	22,564,571
Debt Service Reserve	\$	2,190,263
Capitalized Interest	\$	3,606,351
Cost of Issuance	\$	125,000
Underwriter's Discount	\$	375,245
Rounding	\$	<u>3,571</u>
Total Par Series 2003 Bonds	\$	28,865,000
<u>Total Par Bonds Required to</u> <u>Fund the CIP</u>	\$	70,790,000

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TABLE 4
MIROMAR LAKES CDD
SOLD/PLATTED UNITS
SERIES 2003 BONDS

<u>Product</u>	<u>2003 Updated Unit Count</u>	<u>Sold/Platted Units</u>	<u>Remaining Units (1)</u>
Single Family	123	95	28
Villa	311	197	114
Multifamily	1,867	200	1,667
Beach Club/Marina	5	0	5
Golf Course/Club House	10	0	10
Commercial	<u>252</u>	<u>0</u>	<u>252</u>
Total Units	2,568	492	2,076

(1) Unit mix is subject to change based on marketing and other factors.

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**TABLE 5
MIROMAR LAKES CDD
SERIES 2000 DEBT ASSIGNED
SERIES 2003 BONDS**

<u>Product</u>	<u>Sold/Platted Units</u>	<u>Series 2000A Debt/Unit - Assigned</u>	<u>Series 2000B Debt/Unit - Assigned</u>	<u>Total Series 2000A Debt - Assigned</u>	<u>Total Series 2000B Debt - Assigned</u>
Single Family	95 \$	14,788.54 \$	18,440.46 \$	1,404,911.01 \$	1,751,843.99 \$
Villa	197 \$	12,323.78 \$	13,436.22 \$	2,427,784.82 \$	2,646,935.18 \$
Multifamily	200 \$	9,859.02 \$	15,510.98 \$	1,971,804.93 \$	3,102,195.07 \$
Beach Club/Marina	0				
Golf Course/Club House	0				
Commercial	0				
Total Units	492				
Total Series 2000A Bonds Assigned:				\$ 5,804,500.76	
Total Series 2000B Bonds Assigned:					\$ 7,500,974.24
Total Series 2000 Bonds Assigned:		\$ 13,305,475.00			

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TABLE 6
MIROMAR LAKES CDD
REMAINING DEBT TO BE ALLOCATED & ASSIGNED
SERIES 2003 BONDS

	<u>Bonds Issued</u>	<u>Bonds Assigned</u>	<u>Remaining Bonds to be Assigned</u>
Series 2000A Bonds	\$ 14,530,000	\$ 5,804,500.76	\$ 8,725,499.24
Series 2000B Bonds	<u>\$ 27,395,000</u>	<u>\$ 7,500,974.24</u>	<u>\$ 19,894,025.76</u>
Totals Series 2000 Bonds	\$ 41,925,000	\$ 13,305,475	\$ 28,619,525
Series 2003 Bonds			<u>\$ 28,865,000</u>
Total Bonds to Allocate:			\$ 57,484,525

Par Debt Allocations Against the CIP

Offsite Roadways and Related items	\$ 6,782,928.74
Stormwater Management	\$ 36,620,161.60
Utilities	\$ 6,104,144.10
Recreation/Safety Amenities	<u>\$ 7,977,290.56</u>
Total Bonds to Allocate:	\$ 57,484,525.00

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**TABLE 7
MIROMAR LAKES CDD
ROADWAY COST ALLOCATION
SERIES 2003 BONDS**

<u>Product</u>	<u>Remaining Units</u> <u>(1)</u>	<u>Trip Rate</u>	<u>Total Trips</u>	<u>Par Debt</u> <u>Allocation/Product</u> <u>Type</u>	<u>Par Debt</u> <u>Allocation/Unit</u>
Single Family	28	9.57	268	\$ 77,851	\$ 2,780
Villa	114	5.86	668	\$ 194,088	\$ 1,703
Multifamily	1,667	6.63	11,052	\$ 3,211,039	\$ 1,926
Beach Club/Marina	5	37.00	185	\$ 53,749	\$ 10,750
Golf Course/Club House	10	35.74	357	\$ 103,837	\$ 10,384
Commercial	<u>252</u>	42.92	<u>10,816</u>	<u>\$ 3,142,365</u>	<u>\$ 12,470</u>
Total Units	2,076	1.00	23,346.45	\$ 6,782,928.74	

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(1) Unit mix is subject to change based on marketing and other factors.

**TABLE 8
MIROMAR LAKES CDD
STORMWATER MANAGEMENT COST ALLOCATION
SERIES 2003 BONDS**

<u>Product</u>	<u>Remaining Units</u> <u>(1)</u>	<u>Area (acres)</u>	<u>Runoff Coeff.</u>	<u>Storm Water</u> <u>Allocation/Product</u> <u>Type</u>	<u>Storm Water</u> <u>Allocation/Unit</u>
Single Family	28	0.29	0.70	\$ 512,557.28	\$ 18,306
Villa	114	0.24	0.70	\$ 1,727,040.29	\$ 15,149
Multifamily	1,667	0.22	0.75	\$ 24,803,209.43	\$ 14,879
Beach Club/Marina	5	0.17	0.80	\$ 61,319.31	\$ 12,264
Golf Course/Club House	10	15.60	0.25	\$ 3,516,842.70	\$ 351,684
Commercial	<u>252</u>	0.33	0.80	<u>\$ 5,999,192.59</u>	\$ 23,806
Totals	2,076			\$ 36,620,161.60	

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(1) Unit mix is subject to change based on marketing and other factors.

**TABLE 9
MIROMAR LAKES CDD
AMENITIES AND UTILITIES COST ALLOCATIONS
SERIES 2003 BONDS**

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<u>Product</u>	<u>Remaining Units</u> <u>(1)</u>	<u>ERU/Unit</u>	<u>Total ERUs</u>	<u>Amenities & Utilities</u> <u>Allocation/Product</u> <u>Type</u>	<u>Amenities & Utilities</u> <u>Allocation/Unit</u>
Single Family	28	1.00	28	\$ 240,392.75	\$ 8,585.46
Villa	114	0.85	97	\$ 831,930.63	\$ 7,297.64
Multifamily	1,667	0.75	1,250	\$ 10,733,965.60	\$ 6,439.09
Beach Club/Marina	5	0.60	3	\$ 25,756.37	\$ 5,151.27
Golf Course/Club House	10	1.00	10	\$ 85,854.55	\$ 8,585.46
Commercial	<u>252</u>	1.00	<u>252</u>	<u>\$ 2,163,534.76</u>	\$ 8,585.46
Totals	2,076		1,640	\$ 14,081,434.66	

(1) Unit mix is subject to change based on marketing and other factors.

**TABLE 10
MIROMAR LAKES CDD
TOTAL COST ALLOCATIONS
SERIES 2003 BONDS**

<u>Product</u>	<u>Roadway Allocations/Unit</u>	<u>Storm Water Allocations/Unit</u>	<u>Amenities & Utilities Allocations/Unit</u>	<u>Total Allocation/Unit</u>	<u>Total Par Debt Allocation/Product Type</u>
Single Family	\$ 2,780.41	\$ 18,305.62	\$ 8,585	\$ 29,671.48	\$ 830,801.42
Villa	\$ 1,702.53	\$ 15,149.48	\$ 7,298	\$ 24,149.64	\$ 2,753,059.00
Multifamily	\$ 1,926.24	\$ 14,878.95	\$ 6,439	\$ 23,244.28	\$ 38,748,213.67
Beach Club/Marina	\$ 10,749.74	\$ 12,263.86	\$ 5,151	\$ 28,164.88	\$ 140,824.40
Golf Course/Club House	\$ 10,383.67	\$ 351,684.27	\$ 8,585	\$ 370,653.40	\$ 3,706,533.97
Commercial	\$ 12,469.70	\$ 23,806.32	\$ 8,585	\$ 44,861.48	\$ 11,305,092.55
Total Debt Allocated:					\$ 57,484,525.00

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TABLE 11
MIROMAR LAKES CDD
ASSESSMENT ALLOCATION
A - B SPLIT
SERIES 2003 BONDS

<u>Product</u>	<u>Remaining Units</u> <u>(1)</u>	<u>Series A Debt Unit</u>	<u>Series B Debt Unit</u>	<u>Total Series A Debt</u>	<u>Total Series B Debt</u>
Single Family	28	\$ 15,670	\$ 14,001	\$ 438,771	\$ 392,030
Villa	114	\$ 13,059	\$ 11,091	\$ 1,488,690	\$ 1,264,369
Multifamily	1,667	\$ 10,447	\$ 12,797	\$ 17,415,049	\$ 21,333,165
Beach Club/Marina	5	\$ 28,165	\$ -	\$ 140,824	\$ -
Golf Course/Club House	10	\$ 370,653	\$ -	\$ 3,706,534	\$ -
Commercial	<u>252</u>	\$ 44,861	\$ -	\$ 11,305,093	\$ -
Totals	2,076			\$ 34,494,961	\$ 22,989,564
Total Debt Allocated:		\$ 57,484,525			

(1) Unit mix is subject to change based on marketing and other factors.

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MIROMAR LAKES
Community Development District

Revised
Supplemental Special Assessment
Methodology Report
For Series 2003A Bonds

AJC Associates, Inc.

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January 13, 2011

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT REVISED SUPPLEMENTAL SPECIAL ASSESSMENT METHODOLOGY

PURPOSE

This Revised Supplemental Special Assessment Methodology Report for Series 2003A Bonds (the "Revised Supplemental Report") of the Miromar Lakes Community Development District (the "District") was developed to provide a revision to the Supplemental Assessment Report for the Series 2003A Bonds dated December 18, 2003 and prepared by Fishkind & Associates, Inc. The Revised Supplemental Report has been prepared specifically for the Series 2003A Bonds of the District (the "Bonds") which when issued in 2003 totaled \$27,560,000. The Revised Supplemental Report will provide a revision to the overall product type and unit count within the boundaries of the District.

SCOPE OF THE REPORT

The Revised Supplemental Report uses the adopted methodology template for the allocation of benefits of infrastructure originally funded from proceeds of the Bonds and the Series 2000B Bonds of the District and takes into account changes to the development plan due to current market conditions as well as the identification of a specific parcel as a governmental parcel deemed exempt from Capital Assessments levied by the District.

PROJECT

The District was established by the Lee County Board of Commissioners to provide infrastructure systems, services and facilities along with certain ongoing operations and maintenance for portions of the Miromar Lakes community. The development plan includes roadway and utility improvements, off site traffic mitigation, water management and wetland mitigation, utility distribution systems and service, public roadway and sidewalks, storm drainage and flood control, street lighting, community landscaping and signage. The current development program for Miromar Lakes comprises a master planned, fully amenitized, mixed-use community containing 2,130 residential dwelling units (single family, villa and multi-

family), approximately 175,000 square feet of commercial, a golf course and club house, a beach club and a governmental site to be purchased by Florida Gulf Coast University.

SPECIAL BENEFITS AND GENERAL BENEFITS

Improvements built and acquired by the District will create special and peculiar benefits to the property within the boundaries as well as general benefits to the public at large. These general benefits are incidental in nature and are readily distinguishable from the special and peculiar benefits, which accrue to the property within the District. The Improvements of the District enables properties within its boundaries to be developed. Without the Improvements there would be no infrastructure to support development of the land.

The Improvements are designed solely to provide special benefits peculiar to the property within the District. The general public and property owners outside the boundaries of the District will benefit from the Improvements. The difference being, properties outside the District are not dependent on the Improvements to obtain or maintain their entitlements and therefore clearly distinguishes the special benefits which the District properties receive compared to those outside the boundaries of the District.

VALIDATION OF MASTER METHODOLOGY

The Master Assessment Methodology dated September 19, 2000 and prepared by Fishkind & Associates, Inc. allocates all costs to benefiting property. The total estimated debt of \$81,905,000 was validated with the courts as well as the maximum debt per unit. 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.

The maximum debt per unit validated was:

Single Family	\$ 35,737
Villa	\$ 27,994
Multi-Family	\$ 27,324
Beach Club/Marina	\$ 24,930
Golf Course/Club House	\$469,371
Commercial	\$ 72,595

ALLOCATION OF SERIES 2003 BONDS

The Bonds were issued to fund phase two of the capital improvement plan. The Series 2000A bonds funded the phase one capital improvement plan. The Series 2000B bond funded improvements that benefited both phase one and phase two. Therefore the allocation of the Bonds must also take into consideration the allocation of the balance of the Series 2000B bonds on unsold property.

In December 2003 the Bonds and the balance of the Series 2000B bonds were allocated to the benefiting property per the Supplemental Assessment Report for the Series 2003A Bonds. The development plan at that time was driven by the then current market conditions. Since that time market conditions have changed drastically across the country as well as in southwest Florida. In order to be proactive and plan for the future the developer has made some changes to the product type and unit counts within the Miromar Lakes community.

- Parcel H-1 was originally planned as a 100 unit multi-family parcel. Plans now show this parcel as a government use parcel to be sold to Florida Gulf Coast University. This change in plan will then cause this parcel to be exempt from Capital Assessments levied by the District.
- The original plans called for 252,000 sq ft of commercial space to be built within the community. The revised plans call for a reduction to 175,000 sq ft of commercial space.

- The residential product mix will also change. Single Family will increase by 31. Villas will increase by 26 and multi-family will decrease by 136.
- The developer is increasing the amount of permanent debt to be allocated to the residential and commercial product types. This increase will absorb the decrease in the residential unit count and sq ft of commercial. The total per unit debt will not exceed the maximum validated per unit amount described above.

Revised Supplemental Table #1 shows the allocation of the Bonds over the land benefiting from the bonds using the revised product types and unit counts. Revised Supplemental Table #2 shows the summary change of unit count, annual debt service and total debt allocation per product type. Revised Supplemental Table #3 shows the unit count change by product type and individual tract.

SPECIAL ASSESSMENT ROLL

The developer has sold 7 single family lots within the 2003A Bond area and has made the appropriate buydown payments. The properties are currently being assessed the proposed annual amounts. The developer has made annual debt service payments bringing the total outstanding balance to:

Series 2003A	\$25,960,000
Series 2000B	\$14,795,000

Revised Supplemental Table #4 provides the Special Assessment Lien Roll for the property that is subject to the changes outlined above and the outstanding balance as of November 1, 2010. The total outstanding debt affected by this Revised Supplemental Report is:

Series 2003A	\$25,826,016.96
Series 2000B	\$10,405,652.05

Except as modified by this Revised Supplemental Special Assessment Methodology Report, the Supplemental Assessment Report for the Series 2003A Bonds dated December 18, 2003 and prepared by Fishkind & Associates, Inc. shall otherwise apply.

Revised Supplemental Table #1

Miromar Lakes CDD
 Updated Unit Count / Product Type
 Series 2003A Balance of 2000B

Single Family	173
Villa	402
Multi Family	1,555
Beach Club/Marina	5
Golf Course/Club House	10
Commercial	175
	<u>2,320</u>

<u>Capital Improvements</u>	<u>Series 2000</u>	<u>Series 2003A</u>	<u>Total CIP Costs</u>	
Offsite Roadways and Related Items	\$ 4,552,663	\$ 2,050,000	\$ 6,602,663	0.117995734
Stormwater Management	\$ 20,891,930	\$ 14,755,000	\$ 35,646,930	0.637043823
Utilities	\$ 1,941,918	\$ 4,000,000	\$ 5,941,918	0.106187606
Recreation/Safety Amenities	\$ 5,730,283	\$ 2,035,000	\$ 7,765,283	0.138772836
	<u>\$ 33,116,794</u>	<u>\$ 22,840,000</u>	<u>\$ 55,956,794</u>	
Par Value of Series 2000A Bonds	\$ 14,530,000			
Par Value of Series 2000B Bonds	<u>\$ 27,395,000</u>			
	<u>\$ 41,925,000</u>			

	<u>Updated Unit Count</u>	<u>Sold/Platted</u>	<u>Remaining Units</u>
Single Family	173	132	41
Villa	402	284	118
Multi Family	1,555	744	811
Beach Club/Marina	5	5	-
Golf Course/Club House	10	4	6
Commercial	175	0	175
	<u>2,320</u>	<u>1,169</u>	<u>1,151</u>

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Revised Supplemental Table #1

	Sold Platbed Units	Series 2000A Debt/Unit assigned	Series 2000B Debt/Unit assigned	Total Series 2000A Debt Assigned	Total Series 2000B Debt Assigned
Single Family	113	\$ 14,788.54	\$ 18,440.46	\$ 1,671,105.02	\$ 2,083,771.98
Single Family 2	19	\$ 24,687.10	\$ 9,109.29	\$ 469,054.90	\$ 173,076.51
Villa	284	\$ 12,323.78	\$ 13,436.22	\$ 3,499,953.52	\$ 3,815,886.48
Multi Family	744	\$ 9,859.02	\$ 15,510.98	\$ 7,335,110.88	\$ 11,540,169.12
Beach Club/Marina	5			\$ 140,824.40	
Golf Course/Club House	4			\$ 1,413,951.28	
Commercial	-				
	1,169			\$ 14,530,000.00	\$ 17,612,904.09

Total Series 2000 Bonds assigned \$ 32,142,904.09

	Bonds issued	Bonds Assigned	Remaining Bonds to be Assigned
Series 2000A	\$ 14,530,000	\$ 14,530,000.00	\$ -
Series 2000B	\$ 27,395,000	\$ 17,612,904.09	\$ 9,782,095.91
Total 2000 Bonds	\$ 41,925,000	\$ 32,142,904.09	\$ 9,782,095.91

Series 2003A		\$ 27,560,000
Total Bonds to Allocate		\$ 37,342,096

Par Debt Allocations against CIP

Offsite Roadways and Related Items	\$ 4,406,208.03
Stormwater Management	\$ 23,788,551.56
Utilities	\$ 3,965,267.77
Recreation/Safety Amenities	\$ 5,182,068.55
	\$ 37,342,095.91

	Remaining units	Trip rate	Total Trips	Roadway alloc per product type	Roadway alloc per unit
Single Family	41	9.57	392.37	\$ 121,838.54	\$ 2,971.67
Villa	118	5.86	691.48	\$ 214,718.04	\$ 1,819.64
Multi Family	811	6.63	5,376.93	\$ 1,669,641.73	\$ 2,058.74
Beach Club/Marina	-	37	-	\$ -	\$ -
Golf Course/Club House	6	35.74	218.01	\$ 67,697.60	\$ 11,097.97
Commercial	175	42.92	7,511.00	\$ 2,332,312.12	\$ 13,327.50
	1,151		14,189.79	\$ 4,406,208.03	

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Revised Supplemental Table #2

**Miromar Lakes CDD
Series 2003A Debt Allocation
Updated Unit Count/Product Mix**

	UNITS/SQ FT		PER UNIT Annual Debt Service		PER UNIT Permanent Debt Allocation		PER UNIT "2008B" Debt Allocation		TOTAL Debt Allocation		MAXIMUM DEBT PER VALIDATION
	Original	Proposed	Original	Proposed	Original	Proposed	Original	Proposed	Original	Proposed	
Single Family	11	16	\$ 1,200	\$ 1,500	\$ 15,472	\$ 19,340	\$ 14,200	\$ 14,280	\$ 29,671	\$ 33,620	\$ 35,737
Estate Single Family		25		\$ 2,700		\$ 33,620		\$ -		\$ 33,620	\$ 35,737
Villa	92	118	\$ 1,000	\$ 2,000	\$ 12,893	\$ 25,786	\$ 11,256	\$ 2,208	\$ 24,150	\$ 27,994	\$ 27,994
Multl Family	847	811	\$ 800	\$ 1,500	\$ 10,315	\$ 19,340	\$ 12,930	\$ 7,984	\$ 23,244	\$ 27,324	\$ 27,324
Commercial (1 unit per 1000sq ft)	252	175			\$ 44,861	\$ 29,216	\$ -	\$ 16,102	\$ 44,861	\$ 45,318	\$ 72,595
Golf Course/Club House	6	6			\$ 442,873	\$ 420,903	\$ -	\$ -	\$ 442,873	\$ 420,903	\$ 469,371
Government Parcel ***	100	0	\$ 800		\$ 10,315	\$ -	\$ 12,930	\$ -	\$ 23,244	\$ -	N/A

*** original proposed as 100 MF units

Revised Supplemental Table #3

Miromar Lakes CDD
 Series 2003A allocation
 Updated 12-2010

	Original allocation	9/1/2010 update	
Single Family			
Costa Amalfi - Tract FF	0	16	**
Sorrento -Tract CC (SF \$3,000)	11	11	**
Tract LL-1 & LL-2	0	14	
	11	41	
Villa			
Tract JJ	52	27	
Tract R	18		
Tract HH	22		
Tract LL-1 & LL-2	0	91	
	92	118	
MF			
Tract HH	0	44	
Tract D	83	83	
Tract H-1	100	0	
Tract MM, Coach Home	24	24	
Tract NN	20	40	
Tract P	24	0	
Tract FF	200	0	
Tract GG	59	154	
Tract Q	60	0	
Tract F-(Sales Center Site)	27	27	
Tract LL-1 & LL-2	200	224	
Tract LL-1 & LL-2	0	65	
Tract B (mixed use)	150	150	
	947	811	
Commercial			
new village commercial (75,000 sq f t)	100	75	
Tract LL-1 & LL-2 commercial (100,000 sq ft)	152	100	
	252	175	

** Sold Property within these neighborhoods are assessed at the proposed amounts

Revised Supplemental Table #4

Miromar Lakes CDD
Series 2003A Lien Roll of property subject to "Revised Supplemental Report"

StrapNum	2003A	2000B	Name	Legal1	Legal2	Legal3
1046250000010020	\$ -	\$ -	MIROMAR LAKES LLC	PARCEL LYING IN SE 1/4 OF	SECTION EAST OF 1-75	DESC OR 3165 PG 1800
1146250000010040	\$ 10,443,974.43	\$ 4,595,253.05	MIROMAR LAKES LLC	PARCEL LYING IN W PART	OF SECT DESC IN OR	3165 PG 1800 LES 3387/4710
1246250000010010	\$ 581,704.74	\$ 255,944.76	MIROMAR LAKES LLC	PARCEL LYING IN SW 1/4	OF SW 1/4 OF SECTION	DESC OR 3165 PG 1800
1246250000010040			MIROMAR LAKES LLC	PARCEL LYING IN SW 1/4	OF SW 1/4 OF SECTION W OF	DESC IN INST#2008000269
12462502000CC0040	\$ 32,633.84	\$ -	MIROMAR LAKES LLC	MIROMAR LAKES UNIT XII PENINS	ULA PHASE TWO DESC IN INST#200	6-463425 BLK CC LOT 4
12462502000CC0050	\$ 32,633.84	\$ -	MIROMAR LAKES LLC	MIROMAR LAKES UNIT XII PENINS	ULA PHASE TWO DESC IN INST#200	6-463425 BLK CC LOT 5
12462502000CC0060	\$ 32,633.84	\$ -	MIROMAR LAKES LLC	MIROMAR LAKES UNIT XII PENINS	ULA PHASE TWO DESC IN INST#200	6-463425 BLK CC LOT 6
12462502000CC0070	\$ 32,633.84	\$ -	MIROMAR LAKES LLC	MIROMAR LAKES UNIT XII PENINS	ULA PHASE TWO DESC IN INST#200	6-463425 BLK CC LOT 7
12462502000CC0080	\$ 32,633.84	\$ -	MIROMAR LAKES LLC	MIROMAR LAKES UNIT XII PENINS	ULA PHASE TWO DESC IN INST#200	6-463425 BLK CC LOT 8
12462502000CC0090	\$ 32,633.84	\$ -	MIROMAR LAKES LLC	MIROMAR LAKES UNIT XII PENINS	ULA PHASE TWO DESC IN INST#200	6-463425 BLK CC LOT 9
12462502000CC0100	\$ 32,633.84	\$ -	MIROMAR LAKES LLC	MIROMAR LAKES UNIT XII PENINS	ULA PHASE TWO DESC IN INST#200	6-463425 BLK CC LOT 10
1346250000010020	\$ -	\$ -	MIROMAR LAKES LLC	PARCEL LYING IN NW 1/4 OF	NW 1/4 OF SECTION	DEC OR 3165 PG 1800
1346250000010030	\$ 5,515,807.47	\$ 2,426,904.74	MIROMAR LAKES LLC	PAR LYING IN N 1/2 OF SECT	DESC OR 3165 PG 1800	
13462502000CC0110	\$ 32,633.84	\$ -	MIROMAR LAKES LLC	MIROMAR LAKES UNIT XII PENINS	ULA PHASE TWO DESC IN INST#200	6-463425 BLK CC LOT 11
13462502000CC0120	\$ 32,633.84	\$ -	MIROMAR LAKES LLC	MIROMAR LAKES UNIT XII PENINS	ULA PHASE TWO DESC IN INST#200	6-463425 BLK CC LOT 12
13462503000000010	\$ 17,178.84	\$ 15,455.00	MIROMAR LAKES LLC	MIROMAR LAKES UNIT XIII-COSTA	AMALFIAS DESC IN INST# 200800	0338718LOT 1
13462503000000020	\$ 17,178.84	\$ 15,455.00	MIROMAR LAKES LLC	MIROMAR LAKES UNIT XIII-COSTA	AMALFIAS DESC IN INST# 200800	0338718LOT 2
13462503000000030	\$ 17,178.84	\$ 15,455.00	MIROMAR LAKES LLC	MIROMAR LAKES UNIT XIII-COSTA	AMALFIAS DESC IN INST# 200800	0338718LOT 3
13462503000000040	\$ 17,178.84	\$ 15,455.00	MIROMAR LAKES LLC	MIROMAR LAKES UNIT XIII-COSTA	AMALFIAS DESC IN INST# 200800	0338718LOT 4
13462503000000050	\$ 17,178.84	\$ 15,455.00	MIROMAR LAKES LLC	MIROMAR LAKES UNIT XIII-COSTA	AMALFIAS DESC IN INST# 200800	0338718LOT 6
13462503000000070	\$ 17,178.84	\$ 15,455.00	MIROMAR LAKES LLC	MIROMAR LAKES UNIT XIII-COSTA	AMALFIAS DESC IN INST# 200800	0338718LOT 7
13462503000000090	\$ 17,178.84	\$ 15,455.00	MIROMAR LAKES LLC	MIROMAR LAKES UNIT XIII-COSTA	AMALFIAS DESC IN INST# 200800	0338718LOT 9
13462503000000100	\$ 17,178.84	\$ 15,455.00	MIROMAR LAKES LLC	MIROMAR LAKES UNIT XIII-COSTA	AMALFIAS DESC IN INST# 200800	0338718LOT 10
13462503000000110	\$ 17,178.84	\$ 15,455.00	MIROMAR LAKES LLC	MIROMAR LAKES UNIT XIII-COSTA	AMALFIAS DESC IN INST# 200800	0338718LOT 11
13462503000000120	\$ 17,178.84	\$ 15,455.00	MIROMAR LAKES LLC	MIROMAR LAKES UNIT XIII-COSTA	AMALFIAS DESC IN INST# 200800	0338718LOT 12
13462503000000130	\$ 17,178.84	\$ 15,455.00	MIROMAR LAKES LLC	MIROMAR LAKES UNIT XIII-COSTA	AMALFIAS DESC IN INST# 200800	0338718LOT 13
13462503000000140	\$ 17,178.84	\$ 15,455.00	MIROMAR LAKES LLC	MIROMAR LAKES UNIT XIII-COSTA	AMALFIAS DESC IN INST# 200800	0338718LOT 14
1446250000010020	\$ 2,872,660.06	\$ 155,395.03	MIROMAR LAKES LLC	PARCEL LYING ON BOTH SIDES	OF BEN HILL GRIFFIN PKWY	DESC OR 3165 PG 1800 LESS
14462501000F40000	\$ -	\$ -	MIROMAR LAKES LLC	MIROMAR LAKES UNIT ONE	DESC IN PB 67 PGS 60-73	TRACT F-4
14462501000S10000	\$ 672,225.12	\$ 295,772.89	MIROMAR LAKES LLC	MIROMAR LAKES UNIT ONE	DESC IN PB 67 PGS 60-73	TRACT S-1
2346250000011010	\$ 3,197,892.14	\$ 1,407,043.24	MIROMAR LAKES LLC	PARCEL LYING IN THE SW 1/4	OF SECT DESC IN OR 3380 PG 7	94 AKA AREA B
2346250000011040	\$ 2,041,902.36	\$ 898,418.33	MIROMAR LAKES LLC	PARCEL LYING IN THE SW 1/4	OF SECT DESC IN OR 3380 PG 7	97 AKA AREA D

\$	25,826,016.96	\$	10,220,192.04
\$	22,806,684.14	\$	10,220,192.05
\$	2,519,482.18		
\$	293,704.56		
\$	206,146.08	\$	185,460.00
\$	25,826,016.96	\$	10,405,652.05

unplatted acreage parcels
Golf Course (allocated but not platted)
Estate SF (Sorrento)
Single Family (Costa Amalfi)

Outstanding Balance			
11/1/2010	\$ 25,960,000.00	\$ 14,795,000.00	
Less:			
Sold property	\$ (65,267.68)	\$ (4,389,347.95)	
	\$ (68,715.36)		
	\$ 25,826,016.96	\$ 10,405,652.05	

Miromar Lakes

Community Development District

**Capital Improvement Revenue Refunding Bonds, Series 2015
(Refunding of Capital Improvement Revenue Bonds, Series 2003A)**

**Assessment Allocation Report for
Capital Improvement Revenue Refunding Bonds, Series 2015**



**2614 N. Tamiami Trail, #502
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February 16, 2015

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT
Capital Improvement Revenue Refunding Bonds, Series 2015
(Refunding of Capital Improvement Revenue Bonds, Series 2003A)
Assessment Allocation Report

February 16, 2015

OVERVIEW

In 2003, the Miromar Lakes Community Development District (the “District”) issued the Series 2003A Capital Improvement Revenue Bonds (the “Series 2003A Bonds”) for the purpose of financing and managing the acquisition and construction of a portion of the public infrastructure necessary for the community development within the District. The Series 2003A Bonds are secured by and are being repaid from special assessments levied on the benefited parcels of property within the District “Series 2003A Special Assessments”).

The master developer has revised the master plan for the community increasing the single family density and decreasing the multifamily and commercial density. As a result of this revision they will be making a revised debt allocation payment of \$3,700,000 prior to the refunding reducing the outstanding balance of the Series 2003A Bonds to \$19,190,000 (see exhibit A-1).

The District proposes to refund the outstanding Series 2003A Bonds through the issuance of \$19,165,000 of Miromar Lakes Community Development District Capital Improvement Revenue Refunding Bonds, Series 2015 (“Series 2015 Refunding Bonds”). The special assessments securing the Series 2015 Refunding Bonds will be imposed and levied on the same respective parcels of property encumbered by the Series 2003A Special Assessments.

PURPOSE

This Report revises the Supplemental Assessment Report for the Series 2003A Bonds Miromar Lakes Community Development District dated December 18, 2003 and prepared by Fishkind & Associates, Inc. (“Series 2003A Supplemental Assessment Report”) taking into consideration the revised unit counts and the reduction of annual assessments per unit as a result of refinancing the Series 2003A Bonds through the issuance by the District of its Series 2015 Refunding Bonds at a reduced interest rate. This Report provides a methodology that determines the amount of District debt to be allocated to specific properties within the District and the maximum annual debt service assessment. The Report is designed to conform to the requirements of Chapters 190 and 170, Florida Statutes.

REASONABLE AND FAIR APPORTIONMENT OF THE DUTY TO PAY

A reasonable estimate of the proportion of special and peculiar benefits received from the Series 2003A Bonds was described and calculated in the Series 2003A Supplemental Assessment Report. This Report does not change the apportionment; only the reallocation of the debt based on the sizing of the Series 2015 Refunding Bonds.

ALLOCATION

This report was prepared to revise the allocation of assessments levied on properties within the District as a result of the issuance of the Series 2015 Refunding Bonds. The 2015 Refunding Bonds are being issued to refund all of the District's outstanding Series 2003A Bonds.

A total of \$19,190,000 of Series 2003A Bonds will be refunded with the 2015 Refunding Bonds. Taking into account the liquidation of the existing Debt Service Reserve Fund for the Series the par amount of the Series 2015 Refunding Bonds is \$19,165,000.

Using the Series 2003A Supplemental Assessment Report adopted by the Board of Supervisors of the Miromar Lakes Community Development District, the special assessments used to amortize the Series 2015 Refunding Bonds have been allocated to the benefited property based upon the apportionment by the Board of the special benefits peculiar to the parcels of property.

The purpose of the refinancing is to take advantage of lower interest rates, resulting in annual debt service reduction which will lower annual debt assessments charged to the property owners within the assessment area.

The allocation of the debt of the Series 2015 Refunding Bonds and the assessment roll are shown in Exhibit A-2 and A-3.

EXHIBIT A

Exhibit A-1

Miromar Lakes
Community Development District
Capital Improvement Revenue Bonds, Series 2003
Allocation of Debt

Product Type	Units	Current Principal Balance	Current Principal Balance Per Unit	Current MAXIMUM Debt Service Per Unit
Single Family 2	69	\$ 2,074,067.22	\$ 30,058.95	\$ 2,698.70 ***
Villa 1	16	\$ 267,819.60	\$ 16,738.73	\$ 1,500.00 ***
Villa 3	102	\$ 2,276,056.53	\$ 22,314.28	\$ 2,000.00 ***
Multi Family 2	688	\$ 11,523,118.26	\$ 16,748.72	\$ 1,500.00 ***
Golf Club	1	\$ 2,332,191.95	\$ 2,332,191.95	\$ 200,017.93
Commercial	175	\$ 4,416,746.56	\$ 25,238.55	\$ 2,832.12
rounding		\$ (0.12)		
1051	\$	22,890,000.00		

*** Per unit assessments include early payment discount

Miromar Lakes
Community Development District
Capital Improvement Revenue Refunding Bonds, Series 2003
Revised Master Plan with lower residential and commercial units

Product Type	Units	Revised Units	Change in Density	Revised Debt Allocation Payment	Revised Balance
Single Family 2	69	78	9	\$ 270,530.51	\$ 2,344,597.72
Villa 1	16	16	0	\$ -	\$ 267,819.60
Villa 2	102	102	0	\$ -	\$ 2,276,056.53
Multi Family 2	688	564	-124	\$ (2,076,841.08)	\$ 9,446,277.18
Golf Club	1	1	0	\$ -	\$ 2,332,191.95
Commercial	175	100	-75	\$ (1,893,690.18)	\$ 2,523,056.38
rounding				\$ (0.76)	\$ 0.64
1051	\$	861	-190	\$ (3,700,001.52)	\$ 19,190,000.00

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Exhibit A-2

Miromar Lakes
Community Development District
Capital Improvement Revenue Bonds, Series 2003
Allocation of Debt

Product Type	Units	Current Principal Balance	Current Principal Balance Per Unit	Current MAXIMUM Debt Service	Current MAXIMUM Debt Service Per Unit	
Single Family 2	78	\$ 2,344,597.72	\$ 30,058.95	\$ 210,498.60	\$ 2,698.70	***
Villa 1	16	\$ 267,819.60	\$ 16,738.73	\$ 24,000.00	\$ 1,500.00	***
Villa 3	102	\$ 2,276,056.53	\$ 22,314.28	\$ 204,000.00	\$ 2,000.00	***
Multi Family 2	564	\$ 9,446,277.18	\$ 16,748.72	\$ 846,000.00	\$ 1,500.00	***
Golf Club	1	\$ 2,332,191.95	\$ 2,332,191.95	\$ 200,017.93	\$ 200,017.93	
Commercial	100	\$ 2,523,056.38	\$ 25,238.55	\$ 283,122.36	\$ 2,832.12	
rounding		\$ 0.64				
	861	\$ 19,190,000.00		\$ 1,767,638.89		

*** Per unit assessments include early payment discount

Miromar Lakes
Community Development District
Capital Improvement Revenue Refunding Bonds, Series 2015
Allocation of Debt

Product Type	Units	Current Principal Balance	Current Principal Balance Per Unit	Maximun Annual Debt Service	Maximum Annual Debt Service Per Unit	savings
Single Family 2	78	\$ 2,341,543.35	\$ 30,019.79	\$ 185,047.57	\$ 2,372.40	*** 12%
Villa 1	16	\$ 267,470.71	\$ 16,716.92	\$ 21,098.22	\$ 1,318.64	*** 12%
Villa 2	102	\$ 2,273,091.45	\$ 22,285.21	\$ 179,334.84	\$ 1,758.18	*** 12%
Multi Family 2	564	\$ 9,433,971.24	\$ 16,726.90	\$ 743,712.14	\$ 1,318.64	*** 12%
Golf Club	1	\$ 2,329,153.74	\$ 2,329,153.74	\$ 175,834.23	\$ 175,834.23	12%
Commercial	100	\$ 2,519,769.52	\$ 25,205.67	\$ 248,890.71	\$ 2,489.70	12%
	861	\$ 19,165,000.00		\$ 1,553,917.71		

*** Per unit assessments include early payment discount

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Exhibit A-3

Miromar Lakes Community Development District
 Capital Improvement Revenue Refunding Bonds, Series 2015
 (Refunding of Capital Improvement Revenue Bonds, Series 2003A)
 Lien Book

Parcel ID	Property Owner	Address	City/State/Zip	Series 2015 PAR	Series 2015 Maximum Annual DS
11462500000010040	MIROMAR LAKES LLC	10801 CORKSCREW RD STE 305	ESTERO, FL 33928	\$ 8,978,580.97	\$737,109.14
12462500000010010	MIROMAR LAKES LLC	10801 CORKSCREW RD STE 305	ESTERO, FL 33928	\$ 73,474.48	\$6,031.99
124625020000CC0030	LOFTUS PAUL K + BRIDGET K	11720 VIA SORRENTO PL	FORT MYERS, FL 33913	\$ 30,019.79	\$2,372.40
124625020000CC0040	MIROMAR LAKES LLC	10801 CORKSCREW RD STE 305	ESTERO, FL 33928	\$ 30,019.79	\$2,372.40
124625020000CC0050	MIROMAR LAKES LLC	10801 CORKSCREW RD STE 305	ESTERO, FL 33928	\$ 30,019.79	\$2,372.40
124625020000CC0060	MIROMAR LAKES LLC	10801 CORKSCREW RD STE 305	ESTERO, FL 33928	\$ 30,019.79	\$2,372.40
124625020000CC0070	MIROMAR LAKES LLC	10801 CORKSCREW RD STE 305	ESTERO, FL 33928	\$ 30,019.79	\$2,372.40
124625020000CC0080	EXCEPTIONAL PROPERTIES OF SW FL	6628 WILLOW PARK DR	NAPLES, FL 34109	\$ 30,019.79	\$2,372.40
124625020000CC0090	MIROMAR LAKES LLC	10801 CORKSCREW RD STE 305	ESTERO, FL 33928	\$ 30,019.79	\$2,372.40
124625020000CC0100	SAMENUK GEORGE + ANN	11871 VIA NOVELLI CT	FORT MYERS, FL 33913	\$ 30,019.79	\$2,372.40
124625040000000010	CRANE ROBERT S III TR	FOR ROBERT S CRANE III TRUST	5600 DUBLIN RD DUBLIN, OH 43017	\$ 30,019.79	\$2,372.40
13462500000010020	MIROMAR LAKES LLC	10801 CORKSCREW RD STE 305	ESTERO, FL 33928	\$ 320,694.48	\$26,327.86
13462500000010030	MIROMAR LAKES LLC	10801 CORKSCREW RD STE 305	ESTERO, FL 33928	\$ 2,993,436.59	\$245,750.35
134625020000CC0110	JOHNSON LANCE E + SUSAN S	18331 VERONA LAGO DR	MIROMAR LAKES, FL 33913	\$ 30,019.79	\$2,372.40
134625020000CC0120	POWELL HUGO	1150 LAKESHORE RD E	OAKVILLE, ON CANADA	\$ 30,019.79	\$2,372.40
134625030000000030	HARBOURSIDE CUSTOME HOMES INC	19451 TAMIAMI TRAIL STE 3	FORT MYERS, FL 33908	\$ 16,716.92	\$1,318.64
134625030000000040	MIROMAR LAKES LLC	10801 CORKSCREW RD STE 305	ESTERO, FL 33928	\$ 16,716.92	\$1,318.64
134625030000000050	SZKOTAK LEONARD W + CAROL	112 W MAPLE TREE DR	WESTAMPTON, NJ 08060	\$ 16,716.92	\$1,318.64
134625030000000060	FEENEY THOMAS M + DEBRA	10841 CAMPDEN LAKE BLVD	DUBLIN, OH 43016	\$ 16,716.92	\$1,318.64
134625030000000070	HANNUM DAVID L	3050 POPLAR ST	TERRE HAUTE, IN 47803	\$ 16,716.92	\$1,318.64
134625030000000080	AIN MARK STUART	8 DANE RD	LEXINGTON, MA 02421	\$ 16,716.92	\$1,318.64
134625030000000090	SIDER VANCE	245 OCEAN DR E	STAMFORD, CT 06902	\$ 16,716.92	\$1,318.64
134625030000000100	NOLAN GARY T + ANN M	44 FARRIER LN	NEWTOWN SQUARE, PA 19073	\$ 16,716.92	\$1,318.64
134625030000000110	MOLNAR HELEN J TR	FOR HELEN J MOLNAR TRUST	11753 VIA SAVONA CT FORT MYERS, FL 33913	\$ 16,716.92	\$1,318.64
134625030000000120	WILLIAMS JANET L	513 BITTERSWEET COVE DR	MISHAWAKA, IN 46544	\$ 16,716.92	\$1,318.64
134625030000000130	PICCININNI JACK J + SANDRA L	7 BRINKLOW CT	MEDFORD, NJ 08055	\$ 16,716.92	\$1,318.64
134625030000000140	COLTON JERRY E + SANDRA J	11723 VIA SAVONA CT	MIROMAR LAKES, FL 33913	\$ 16,716.92	\$1,318.64
134625030000000150	SHELBURNE LEEANN	372 LATONKA DR	MERCER, PA 16137	\$ 16,716.92	\$1,318.64
134625030000000160	HEINE BARBARA + FREDERICK	11711 VIA SAVONA CT	MIROMAR LAKES, FL 33913	\$ 16,716.92	\$1,318.64
134625050000000010	NORTHERN TRUST CO TR	FOR SHAILA SINGH REV TRUST	11799 VIA SAVONA CT MIROMAR LAKES, FL 33913	\$ 33,433.84	\$2,637.28
134625060000A0010	JAS SALERNO LLC	10471 VIA LOMBARDIA CT	MIROMAR LAKES, FL 33913	\$ 30,019.79	\$2,372.40
134625060000A0020	HARBOURSIDE CUSTOM HOMES INC	19451 S TAMIAMI TRL # 3	FORT MYERS, FL 33908	\$ 30,019.79	\$2,372.40
134625060000A0030	DIVCO RAVA LLC	28504 CHIANTI TERRACE	BONITA SPRINGS, FL 34135	\$ 30,019.79	\$2,372.40
134625060000A0040	ARH MODELS LLC	13922 58TH ST N	CLEARWATER, FL 33760	\$ 30,019.79	\$2,372.40
134625060000A0050	MIROMAR LAKES LLC	10801 CORKSCREW RD STE 305	ESTERO, FL 33928	\$ 30,019.79	\$2,372.40
134625060000A0060	MIROMAR LAKES LLC	10801 CORKSCREW RD STE 305	ESTERO, FL 33928	\$ 30,019.79	\$2,372.40
134625060000A0070	KEANE LISA M TR	FOR LISA M KEANE TRUST	1430 EDGEWOOD LN WINNETKA, IL 60093	\$ 30,019.79	\$2,372.40
134625060000A0080	CANTERNA DON L SR + CATHERINE	28308 NAUTICA LN	BONITA SPRINGS, FL 34135	\$ 30,019.79	\$2,372.40
134625060000A0090	JENSEN STEVE A + SANDRA L	20016 OAK FAIRWAY CIR	ESTERO, FL 33928	\$ 30,019.79	\$2,372.40
134625060000A0100	POURE JAMES A + BARBARA	3043 DEEP WATER LN	MAUMEE, OH 43537	\$ 30,019.79	\$2,372.40
134625060000B0010	MIROMAR LAKES LLC	10801 CORKSCREW RD STE 305	ESTERO, FL 33928	\$ 22,285.21	\$1,758.18

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Exhibit A-3

Miromar Lakes Community Development District
 Capital Improvement Revenue Refunding Bonds, Series 2015
 (Refunding of Capital Improvement Revenue Bonds, Series 2003A)
 Lien Book

Parcel ID	Property Owner	Address	City/State/Zip	Series 2015 PAR	Series 2015 Maximum Annual DS
134625060000B0020	HARBOURSIDE CUSTOM HOMES INC	19451 S TAMAMI TRL # 3	FORT MYERS, FL 33908	\$ 22,285.21	\$1,758.18
134625060000B0030	MCNAB FREDERICK GEORGE +	MCNAB CHRISTINE H/W 1361 BAY SHORE DR	ENGLEWOOD, FL 34223	\$ 22,285.21	\$1,758.18
134625060000B0040	ARH FINANCIAL LLC	13922 58TH ST N	CLEARWATER, FL 33760	\$ 22,285.21	\$1,758.18
134625060000B0050	MIROMAR LAKES LLC	10801 CORKSCREW RD STE 305	ESTERO, FL 33928	\$ 22,285.21	\$1,758.18
134625060000B0060	HUBER ERNEST E + PAULA M	1945 HILLSIDE DR	FRANKLIN, IN 46131	\$ 22,285.21	\$1,758.18
134625060000B0070	HEAD JAMES E + BONI	10001 ISOLA WAY	MIROMAR LAKES, FL 33913	\$ 22,285.21	\$1,758.18
134625060000B0080	RUDE ROBERT E + MAUREEN P	16 PRESERVATION DR	FALMOUTH, ME 04105	\$ 22,285.21	\$1,758.18
134625060000B0090	HARBOURSIDE CUSTOME HOMES INC	19451 S TAMIMI TRL STE 3	FORT MYERS, FL 33908	\$ 22,285.21	\$1,758.18
134625060000B0100	GRIFFIN WILLIAM T + KELLY A	8766 LARGO MAR DR	FORT MYERS, FL 33967	\$ 22,285.21	\$1,758.18
134625060000B0110	HARBOURSIDE CUSTOME HOMES INC	19451 S TAMIMI TRL STE 3	FORT MYERS, FL 33908	\$ 22,285.21	\$1,758.18
134625060000B0120	MIROMAR LAKES LLC	10801 CORKSCREW RD STE 305	ESTERO, FL 33928	\$ 22,285.21	\$1,758.18
134625060000B0130	MUELLER JANICE + FREELS LARRY	2808 PALUMBO DR STE 100	LEXINGTON, KY 40509	\$ 22,285.21	\$1,758.18
134625060000B0140	MIROMAR LAKES LLC	10801 CORKSCREW RD STE 305	ESTERO, FL 33928	\$ 22,285.21	\$1,758.18
134625060000B0150	MIROMAR LAKES LLC	10801 CORKSCREW RD STE 305	ESTERO, FL 33928	\$ 22,285.21	\$1,758.18
134625060000B0160	MIROMAR LAKES LLC	10801 CORKSCREW RD STE 305	ESTERO, FL 33928	\$ 22,285.21	\$1,758.18
134625060000B0170	CASTELLANA MARTIN A + MAUREEN	25 WOODLAND WAY	PAINTED POST, NY 14870	\$ 22,285.21	\$1,758.18
134625060000B0180	OBRIEN JEAN M TR	FOR JEAN M OBRIEN TRUST 6525 BANDERA AVE UNIT 3B	DALLAS, TX 75225	\$ 22,285.21	\$1,758.18
1446250000001002B	MIROMAR LAKES GOLF CLUB LLC	10801 CORKSCREW RD STE 305	ESTERO, FL 33928	\$ 2,329,153.74	\$175,834.23
144625010000S10000	MIROMAR LAKES LLC	10801 CORKSCREW RD STE 305	ESTERO, FL 33928	\$ 350,948.67	\$28,811.62
23462500000011010	MIROMAR LAKES LLC	10801 CORKSCREW RD STE 305	ESTERO, FL 33928	\$ 1,697,692.60	\$139,374.44
23462500000011040	MIROMAR LAKES LLC	10801 CORKSCREW RD STE 305	ESTERO, FL 33928	\$ 1,121,998.47	\$92,112.03
				\$ 19,165,000.00	\$ 1,553,917.71

Bulk parcels allocated on a per acre basis unit platted

APPENDIX E
DISTRICT'S FINANCIAL STATEMENTS

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**MIROMAR LAKES
COMMUNITY DEVELOPMENT
DISTRICT**

BASIC FINANCIAL REPORT

Year Ended September 30, 2014

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

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Year Ended September 30, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Miromar Lakes Community Development District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund of the *Miromar Lakes Community Development District* (the "District"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the District as of September 30, 2014, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis starting on page 3, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 25, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

McDiarmid Davis & Company, LLC

Orlando, Florida
November 25, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Our discussion and analysis of the *Miromar Lakes Community Development District's* (the "District") financial performance provides an overview of the District's financial activities for the fiscal years ended September 30, 2014 and 2013. Please read it in conjunction with the District's financial statements which immediately follow this discussion.

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2014:

- The District's total assets and deferred outflows of resources exceeded its liabilities at September 30, 2014 by \$6,733,161, an increase of \$1,109,165 in comparison with the prior year. This increase is attributable to special assessments and interest revenue in the debt service fund in excess of debt service expenses.
- At September 30, 2014, the District's governmental funds reported a combined fund balance of \$4,074,263, a decrease of \$253,906 in comparison with the prior year.

Using the Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 7-8 provide information about the activities of the district as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 9. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

Reporting the District as a whole - Our analysis of the District as a whole begins on page 4. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. You can think of the District's net position - the difference between assets and liabilities - as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors; however, such as changes in the District's assessment base and the condition of the District's infrastructure, to assess the overall health of the District. The government-wide financial statements can be found on pages 7-8 of this report.

Reporting the District's most significant funds - Our analysis of the District's major funds begins on page 5. The fund financial statements begin on page 9 and provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. All of the District's funds are governmental fund-types.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Using the Annual Report (Continued)

All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities and governmental funds in a reconciliation with the fund financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of financial position. The following table reflects the condensed government-wide statements of net position as of September 30, 2014 and 2013:

Miromar Lakes Community Development District
Statement of Net Position

	September 30, 2014	September 30, 2013
Assets, excluding capital assets	\$ 4,090,686	\$ 4,381,086
Capital assets, net of depreciation	37,716,350	38,380,916
Total assets	41,807,036	42,762,002
Deferred amount on refunding	238,355	251,975
Liabilities, excluding long-term liabilities	924,892	1,000,224
Long-term liabilities	34,387,338	36,389,757
Total liabilities	35,312,230	37,389,981
Net position		
Net investment in capital assets	3,567,367	2,243,134
Restricted for debt service	2,732,646	2,895,730
Unrestricted	433,148	485,132
Total net position	\$ 6,733,161	\$ 5,623,996

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-Wide Financial Analysis (Continued)

Governmental activities for the year ended September 30, 2014 increased the District's net position by \$1,226,376, as reflected in the table below. The higher program revenue in fiscal year 2014 is due to the bond prepayment revenue.

	Changes in Net Position Year ended September 30,	
	2014	2013
Revenues:		
Program revenues	\$ 4,999,623	\$ 4,042,081
General revenues	25,146	419
Total revenues	5,024,769	4,042,500
Expenses:		
General government	147,767	157,176
Maintenance and operations	1,357,319	1,275,834
Interest on long-term debt	2,293,307	2,333,363
Total expenses	3,798,393	3,766,373
Change in net position	1,226,376	276,127
Net position - beginning, as previously stated	5,623,996	6,072,600
Prior period adjustment	(117,211)	-
Restatement of net position (GASB 65)	-	(724,731)
Net position - beginning, as restated	5,506,785	5,347,869
Net position - ending	\$ 6,733,161	\$ 5,623,996

The District's Funds

As the District completed the year, its governmental funds (as presented in the balance sheet on page 9) reported a combined fund balance of \$4,074,263, which is a decrease from last year's balance that totaled \$4,328,169. Significant transactions are discussed below.

- During the fiscal year ended September 30, 2014, the District incurred approximately \$2,310,944 of interest expenditures and repaid \$2,010,000 of outstanding long-term principal.

The overall change in fund balance for the year ended September 30, 2014, was a decrease of \$253,906. The fund balance of the Debt Service Fund decreased by \$201,932 due primarily to a prior period adjustment of \$117,211 (described in Note 3). Current year General Fund expenditures were funded by current year assessment revenues and \$51,974 of the prior year fund balance. At September 30, 2014, the District's governmental funds reported a combined fund balance of \$4,074,263. Of this total, \$3,641,115 is restricted, \$30,300 is assigned and the remainder is an unassigned fund balance of \$402,848.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Governmental Funds Budgetary Highlights

An Operating budget was established by the government board for the District pursuant to the requirements of the Florida Statutes. The budget to actual comparison for the general fund, including the original budget and final adopted budget, is shown on page 12. The District experienced a favorable variance in expenditures as compared to the budget in the amount of \$2,241.

Capital Asset and Debt Administration

Capital Assets

At September 30, 2014, the District had approximately \$37.7 million invested in capital assets. This amount represents a net decrease of \$664,566 for current year depreciation.

<u>September 30,</u>	<u>2014</u>	<u>2013</u>	<u>Change</u>
Capital Assets Not Being Depreciated	\$ 30,196,507	\$ 30,196,507	\$ -
Capital Assets Being Depreciated	13,918,906	13,918,906	-
Total, prior to depreciation	44,115,413	44,115,413	-
Accumulated depreciation	<u>(6,399,063)</u>	<u>(5,734,497)</u>	<u>(664,566)</u>
Net capital assets	<u>\$ 37,716,350</u>	<u>\$ 38,380,916</u>	<u>\$ (664,566)</u>

More information about the District's capital assets is presented in Note 5 to the financial statements.

Debt

At September 30, 2014, the District had \$34.52 million in bonds outstanding. This amount represents a net decrease of \$2,010,000 from the prior fiscal year.

<u>September 30,</u>	<u>2014</u>	<u>2013</u>	<u>Change</u>
Series 2003A	\$ 23,020,000	\$ 24,635,000	\$ (1,615,000)
Series 2012	11,500,000	11,895,000	(395,000)
	<u>34,520,000</u>	<u>36,530,000</u>	<u>(2,010,000)</u>

Additional information on the District's long-term debt is presented in Note 6 to the financial statements.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact the *Miromar Lakes Community Development District's* management company, JPWard and Associates, LLC, at 2041 NE 6th Avenue, Wilton Manors, Florida 33305, 954-658-4900, ward9490@comcast.net.

FINANCIAL STATEMENTS

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

STATEMENT OF NET POSITION

September 30, 2014

	Governmental Activities
Assets:	
Cash	\$ 259,861
Investments	168,437
Interest receivable	37,296
Other receivables	21,273
Restricted assets:	
Temporarily restricted investments	3,603,819
Capital assets not being depreciated	30,196,507
Capital assets being depreciated, net	7,519,843
Total assets	41,807,036
 Deferred Outflows of Resources:	
Deferred amount on refunding	238,355
 Liabilities:	
Accounts payable and accrued expenses	16,423
Accrued interest payable	908,469
Noncurrent liabilities:	
Due within one year	905,000
Due in more than one year	33,482,338
Total liabilities	35,312,230
 Net Position:	
Net investment in capital assets	3,567,367
Restricted for debt service	2,732,646
Unrestricted	433,148
Total net position	\$ 6,733,161

The accompanying Notes to Financial Statements are an integral part of this statement.

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

STATEMENT OF ACTIVITIES

Year Ended September 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		Net (Expense)
		<u>Charges for</u>	<u>Operating Grants</u>	Revenue and
		<u>Services</u>	<u>and</u>	Changes in Net
			<u>Contributions</u>	Assets
				<u>Governmental</u>
				<u>Activities</u>
Governmental activities:				
General government	\$ 147,767	\$ 74,949	\$ -	\$ (72,818)
Maintenance and operations	1,357,319	688,451	-	(668,868)
Interest on long-term debt	2,293,307	4,207,746	28,477	1,942,916
Total governmental activities	<u>\$ 3,798,393</u>	<u>\$ 4,971,146</u>	<u>\$ 28,477</u>	1,201,230
		General Revenues:		
			Investment and miscellaneous income	25,146
			Change in net position	1,226,376
			Net position - beginning	5,623,996
			Prior period adjustment	(117,211)
			Net position - ending	<u>\$ 6,733,161</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2014

	General	Debt Service	Total Governmental Funds
Assets:			
Cash	\$ 259,861	\$ -	\$ 259,861
Investments	168,437	3,603,819	3,772,256
Interest receivable	-	37,296	37,296
Other receivables	21,273	-	21,273
	\$ 449,571	\$ 3,641,115	\$ 4,090,686
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued expenses	\$ 16,423	\$ -	\$ 16,423
	16,423	-	16,423
Fund Balances:			
Restricted for:			
Debt service	-	3,641,115	3,641,115
Assigned for subsequent year's expenditures	30,300	-	30,300
Unassigned	402,848	-	402,848
	433,148	3,641,115	4,074,263
Total fund balances	\$ 449,571	\$ 3,641,115	\$ 4,074,263
Total liabilities and fund balances	\$ 449,571	\$ 3,641,115	\$ 4,074,263

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 37,716,350

Liabilities not due and payable from current available resources are not reported in governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide statements.

	Accrued interest payable	(908,469)		
	Bonds payable	(34,387,338)		
	Deferred refunding	238,355		(35,057,452)
Net Position of Governmental Activities			\$ 6,733,161	

The accompanying Notes to Financial Statements are an integral part of this statement.

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Year Ended September 30, 2014

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Revenues:			
Special assessments	\$ 763,400	\$ 4,207,746	\$ 4,971,146
Investment and miscellaneous income	25,146	28,477	53,623
Total revenues	<u>788,546</u>	<u>4,236,223</u>	<u>5,024,769</u>
Expenditures:			
Current:			
General government	147,767	-	147,767
Maintenance and operations	692,753	-	692,753
Debt service:			
Interest	-	2,310,944	2,310,944
Principal	-	2,010,000	2,010,000
Total expenditures	<u>840,520</u>	<u>4,320,944</u>	<u>5,161,464</u>
Net change in fund balances	(51,974)	(84,721)	(136,695)
Fund Balances - beginning of year	485,122	3,843,047	4,328,169
Prior Period Adjustment	-	(117,211)	(117,211)
Fund Balances - end of year	<u>\$ 433,148</u>	<u>\$ 3,641,115</u>	<u>\$ 4,074,263</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**

Year Ended September 30, 2014

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds (page 10)		\$	(136,695)
Depreciation on capital assets is not recognized in the governmental fund statement, however, depreciation is reported as an expense in the statement of net position.			(664,566)
Repayments of long-term liabilities are reported as expenditures in governmental funds, while repayments reduce long-term liabilities in the statement of net position.			2,010,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
Change in accrued interest	38,838		
Amortization of deferred refunding amount	(13,620)		
Amortization of bond discount	(7,581)		17,637
Change in net position of governmental activities (page 8)		\$	1,226,376

The accompanying Notes to Financial Statements are an integral part of this statement.

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND

Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues:				
Special assessments	\$ 765,911	\$ 765,911	\$ 763,400	\$ (2,511)
Investment and miscellaneous income	500	500	25,146	24,646
Total revenues	<u>766,411</u>	<u>766,411</u>	<u>788,546</u>	<u>22,135</u>
Expenditures:				
Current:				
General government	140,093	140,093	147,767	(7,674)
Maintenance and operations	652,668	702,668	692,753	9,915
Total expenditures	<u>792,761</u>	<u>842,761</u>	<u>840,520</u>	<u>2,241</u>
Net change in fund balance	(26,350)	(76,350)	(51,974)	24,376
Fund balance - beginning	<u>485,122</u>	<u>485,122</u>	<u>485,122</u>	<u>-</u>
Fund balance - ending	<u>\$ 458,772</u>	<u>\$ 408,772</u>	<u>\$ 433,148</u>	<u>\$ 24,376</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2014

Note 1 - Nature of Organization

The Miromar Lakes Community Development District (the "District") was established on September 19, 2000, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190 of the Florida Statutes by Lee County Ordinance 00-17. The Act provides, among other things, the power to manage basic services for community development, the power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by a Board of Supervisors (the "Board"), which is composed of five members. The Supervisors are elected by qualified electors of Lee County whose primary residence is within the District. The District is economically dependent on the Developer. The Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has a final responsibility for:

- Assessing and levying special assessments
- Approving budgets
- Exercising control over facilities and property
- Controlling the use of funds generated by the District
- Approving the hiring and firing of key personnel
- Financing improvements

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth by Generally Accepted Accounting Principles (GAAP). The primary criteria for including organizations within the District's reporting entity, as defined by the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, is financial accountability. The District is financially accountable if it appoints a voting majority of the organization's governing body and (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or a jointly appointed board. Based on the foregoing criteria, no potential component units were found.

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2014

Note 2 - Summary of Significant Accounting Policies:

The accounting policies of the District conform to Generally Accepted Accounting Principles (GAAP) as applicable to governments in accordance with those promulgated by the Governmental Accounting Standards Board (GASB). The District's more significant accounting policies are described below:

Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by assessments, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The business-type activities are reported separately in government-wide financial statements; however, at September 30, 2014, the District did not have any significant business-type activities. Therefore, no business-type activities are reported. Assessments and other items not properly included as program revenues (i.e., charges to customers or applicants who purchase, use, or directly benefit from goods or services) are reported as general revenues.

The preparation of government-wide financial statements includes the application of both GASB pronouncements and those of the Financial Accounting Standards Board (FASB) issued before November 30, 1989.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and other similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2014

Note 2 - Summary of Significant Accounting Policies (Continued):

Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The District's Assessments are included on the property tax bill that all landowner's receive. The Florida Statutes provide that special assessments may be collected by using the Uniform Method. Under the Uniform Method, the District's Assessments will be collected together with County and other taxes. These Assessments will appear on a single tax bill issued to each landowner subject to such. The statutes relating to enforcement of County taxes provide that County taxes become due and payable on November 1 of the year when assessed or as soon thereafter as certified tax roll is received by the Tax Collector and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such taxes (together with any assessments, being collected by the Uniform Method) are to be billed, and landowners in the District are required to pay all such taxes and assessments, without preference in payment of any particular increment of the tax bill, such as the increment owing for the District's Assessments. Upon any receipt of moneys by the Tax Collector from the Assessments, such moneys will be delivered to the District.

All city, county, school and special district ad valorem taxes, non-ad valorem special assessments and voter-approved ad valorem taxes levied to pay principal of and interest on bonds, including the District Assessments, that are collected by the Uniform Method are payable at one time. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full and such partial payment is not to be accepted and is to be returned to the taxpayer, provided, however that a taxpayer may contest a tax assessment pursuant to certain conditions in Florida Statutes and other applicable law.

Under the Uniform Method, if the Assessments are paid during November when due or at any time within thirty (30) days after mailing of the original tax notice or during the following three months, the taxpayer is granted a variable discount equal to 4% in November and decreasing one percentage point per month to 1% in February. March payments are without discount. Pursuant to Section 197.222, Florida Statutes, taxpayers may elect to pay estimated taxes, which may include non-ad valorem special assessments such as the District's Assessments in quarterly installments with a variable discount equal to 6% on June 30 decreasing to 3% on December 31, with no discount on March 31. All unpaid taxes and assessments become delinquent on April 1 of the year following assessment, and the Tax Collector is required to collect taxes prior to April 1 and after that date to institute statutory procedures upon delinquency to collect assessed taxes. Delay in the mailing of the notices to taxpayers may result in a delay throughout this process.

Certain taxpayers that are entitled to claim homestead tax exemption under Section 196.031(1), Florida Statutes may defer payment of a portion of the taxes and non-ad valorem assessments and interest accumulated on a tax certificate, which may include non-ad valorem special assessments. Deferred taxes and assessments bear interest at a variable rate not to exceed 7%. The amount that may be deferred varies based on whether the applicant is younger than age 65 or is 65 years old or older; provided that applicants with a household income for the previous calendar year of less than \$10,000 or applicants with less than the designated amount for the additional homestead exemption under Section 196.075, Florida Statutes that are 65 years old or older may defer taxes and assessments in their entirety.

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2014

Note 2 - Summary of Significant Accounting Policies (Continued):

Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Collection of Delinquent Assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the Assessment due.

Assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

General Fund - The General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

For the year ended September 30, 2014, the District does not report any proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Cash, Deposits and Investments

The District maintains deposits with "Qualified Public Depositories" as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities in accordance with collateral requirements determined by the State's Chief Financial Officer. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments between all Qualified Public Depositories.

Under this method, all the District's deposits are fully insured or collateralized at the highest level of security as defined by *Governmental Accounting Standards Board, Statement Number 40, Deposits and Investment Disclosures (An Amendment of Governmental Accounting Standards Board, Statement Number 3)*.

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2014

Note 2 - Summary of Significant Accounting Policies (Continued):

Cash, Deposits and Investments (Continued):

The District is authorized to invest in financial instruments as established by Section 218.415, Florida Statutes; SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and interest-bearing time deposits or savings accounts in authorized financial institutions. The District's Bond Indenture also allows investments in obligations of the Government National Mortgage Association, obligations of Federal National Mortgage Association and commercial paper rated in the top two rating categories by both Moody's and S&P.

Capital assets

Capital assets, which include primarily infrastructure assets (e.g., roads, sidewalks, water management systems and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial/individual cost of more than \$5,000 and an estimated useful life in excess of 2 years. Such assets are recorded at historical cost and estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	10 - 30
Improvements Other Than Buildings	10

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2014

Note 2 - Summary of Significant Accounting Policies (Continued):

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of premiums or discounts. Bond issuance costs are expensed.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item, deferred amount on refunding, that qualifies for reporting in this category for the year ended September 30, 2014.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has no items that qualify for reporting in this category for the year ended September 30, 2014.

Net Position Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted- net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted - net position to have been depleted before unrestricted-net position is applied.

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2014

Note 2 - Summary of Significant Accounting Policies (Continued):

Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes fund balance amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Supervisors is the highest level of decision-making authority for the government that can, by adoption of an ordinance or resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance or resolution remains in place until a similar action is taken to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board of Supervisors has authorized the District Manager to assign amounts for specific purposes. The Board of Supervisors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above and additional action is essential to either remove or revise a commitment.

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2014

Note 2 - Summary of Significant Accounting Policies (Continued):

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budgets

The District is required to establish a budgetary system and an approved annual budget. Annual budgets are legally adopted on a basis consistent with generally accepted accounting principles for the general fund. Any revision to the budget must be approved by the District Board. The budgets are compared to actual expenditures. In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the financial statements represent final authorization amounts.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- A public hearing is conducted to obtain comments.
- Prior to October 1, the budget is legally adopted by the District Board.
- Certain budget changes must be approved by the District Board.
- Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Note 3 - Prior Period Adjustment:

Beginning fund balance in the Debt Service Fund has been adjusted for fiscal year 2013 investment premium amortization and market valuation of the Debt Service Investments. The Debt Service Fund balance was decreased by \$117,211.

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2014

Note 4 - Investments:

All investments held at September 30, 2014, are reported at fair value. Values for the District's investments are based on quoted market prices or amounts determined by the issuer.

The following is a summary of the District's investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Average Maturity</u>
FHLMC Medium Term Notes	\$ 2,182,302	AA+	11/17/2017
Money Market Funds	1,075,641	AAAm	NA
First American Government Obligation Fund Y	514,313	AAAm	43 days
	<u>\$ 3,772,256</u>		

Custodial credit risk - For an investment, custodial credit risk is the risk that the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District has no formal policy for custodial risk. At September 30, 2014, all investments, except for investments in money market funds, were held in custodial accounts in the District's name by an independent custodial bank.

Concentration risk - The District does not have a formal policy for addressing interest rate risk; however, investments are made with discretion, to see reasonable returns, preserve capital, and in general, avoid speculative investments. The District manages its exposure to declines in fair values from interest rate changes by reviewing the portfolio on an ongoing basis for changes in effective yield amounts.

Credit risk - Florida Statutes require investments held by the District to have the highest credit quality rating from a nationally recognized rating agency. The District complies with the requirements of the Florida Statutes.

Interest rate risk - Florida Statutes provide that the investment portfolio be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. The District complies with the requirements of the Florida Statutes.

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2014

Note 5 - Capital Assets:

Capital asset activity for the year ended September 30, 2014 was as follows:

	Beginning Balance October 1, 2013	Additions	Disposals	Balance at September 30, 2014
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 30,196,507	\$ -	\$ -	\$ 30,196,507
Capital Assets Being Depreciated:				
Infrastructure	11,841,145	-	-	11,841,145
Improvements other than buildings	2,077,761	-	-	2,077,761
Total capital assets being depreciated	13,918,906	-	-	13,918,906
Total capital assets	44,115,413	-	-	44,115,413
Less Accumulated Depreciation for:				
Infrastructure	(4,164,449)	(456,949)	-	(4,621,398)
Improvements other than buildings	(1,570,048)	(207,617)	-	(1,777,665)
Total accumulated depreciation	(5,734,497)	(664,566)	-	(6,399,063)
Total capital assets being depreciated, net	8,184,409	(664,566)	-	7,519,843
Governmental activities capital assets, net	<u>\$ 38,380,916</u>	<u>\$ (664,566)</u>	<u>\$ -</u>	<u>\$ 37,716,350</u>

Depreciation of \$664,566 was allocated to maintenance and operations in the Statement of Activities. The District is substantially completed.

Note 6 - Bonds Payable:

Capital Improvement Revenue Bonds, Series 2003A - The District previously issued \$27,560,000 in Capital Improvement Revenue Bonds, Series 2003A for the purpose of funding certain capital projects within the boundaries of the District. The bonds bear interest at 6.875% and mature in May 2035. Interest is payable semi-annually on the first day of each May and November. The bonds are secured by a pledge of revenues derived from the collection of non-ad valorem special assessments.

The bonds are subject to mandatory redemption at par on a schedule of annual redemptions through May 2035, the maturity date. The District is required to redeem the bonds at par prior to schedule from the proceeds of any assessments prepaid or if certain events occur as outlined in the Bond Indenture. The bonds are subject to redemption at the option of the District at a premium from May 2014 through April 2015 and at par on or after May 2015.

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2014

Note 6 - Bonds Payable (Continued):

Capital Improvement Revenue Bonds, Series 2003A (Continued)

For the current fiscal year, \$1,692,969 of interest and \$1,615,000 of principal was paid on these bonds. Total special assessment revenue was \$3,218,822 in the current year. Principal and interest remaining on these bonds at September 30, 2014 totals \$44,285,406.

Capital Improvement Revenue Refunding Bonds, Series 2012 - The District issued \$12,345,000 in Capital Improvement Revenue Refunding Bonds, Series 2012 for the purpose of repaying in full the Series 2000A Bonds. The bonds consist of two different terms, \$4,630,000 and \$7,715,000 which bear interest at 4.875% and 5.375%, and mature in May 2022 and May 2032, respectively. Interest is payable semi-annually on the first day of each May and November. The bonds are secured by a pledge of revenues derived from the collection of non-ad valorem special assessments.

The bonds are subject to mandatory redemption at par on a schedule of annual redemptions through May 2022 and May 2032, the maturity dates. The District is required to redeem the bonds at par prior to schedule from the proceeds of any assessments prepaid or if certain events occur as outlined in the Bond Indenture. The bonds maturing May 2032 are subject to redemption at the option of the District from May 2022 through April 2032 at par value.

In fiscal year 2012, the District advance refunded the Series 2000A Bonds. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt which was deferred and is being amortized over the life of the new debt.

For the current fiscal year, \$617,975 of interest and \$395,000 of principal was paid on these bonds. Total special assessment revenue was \$988,924 in the current year. Principal and interest remaining on these bonds at September 30, 2014 totals \$18,082,812.

The Bond Indentures have certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service. The District is in compliance with the requirements of the Bond Indentures.

The Bond Indentures require that the District maintain adequate funds in reserve accounts to meet the debt service reserve requirements as defined in the Indentures. The requirements have been met for the fiscal year ended September 30, 2014.

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2014

Note 6 - Bonds Payable (Continued):

The balance of the long-term bonds at September 30, 2014 is summarized as follows:

September 30	2014
Bond Principal Balance	\$ 34,520,000
Less Unamortized Bond Discount	<u>(132,662)</u>
Net Balance	<u><u>\$ 34,387,338</u></u>

Long-term liability activity for the year ended September 30, 2014 was as follows:

	Balance October 1, 2013	Additions	Reductions	Amortization	Balance September 30, 2014	Due Within One Year
Special Assessment Revenue bonds,						
Series 2003A	\$ 24,635,000	\$ -	\$ (1,615,000)	\$ -	\$ 23,020,000	\$ 505,000
Series 2012	11,895,000	-	(395,000)	-	11,500,000	400,000
Original Issue Discount	(140,243)	-	-	7,581	(132,662)	-
Total	<u>\$ 36,389,757</u>	<u>\$ -</u>	<u>\$ (2,010,000)</u>	<u>\$ 7,581</u>	<u>\$ 34,387,338</u>	<u>\$ 905,000</u>

At September 30, 2014, the scheduled debt service requirements on long-term debt were as follows:

Year Ending September 30,	Principal	Interest	Total
2015	\$ 905,000	\$ 2,180,325	\$ 3,085,325
2016	965,000	2,124,817	3,089,817
2017	1,025,000	2,065,519	3,090,519
2018	1,085,000	2,002,515	3,087,515
2019	1,155,000	1,935,723	3,090,723
2020 - 2024	6,960,000	8,541,318	15,501,318
2025 - 2029	9,495,000	6,107,038	15,602,038
2030 - 2034	10,930,000	2,753,463	13,683,463
2035	2,000,000	137,500	2,137,500
	<u>\$ 34,520,000</u>	<u>\$ 27,848,218</u>	<u>\$ 62,368,218</u>

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2014

Note 7 - Risk Management:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District maintains commercial insurance coverage to mitigate the risk of loss. Coverage may not extend to all situations. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. The District has not incurred any insurance claims under the commercial coverage in the previous three years.

Note 8 - Management Company:

The District has contracted with JPWard and Associates, LLC to perform management advisory services, which include financial and accounting advisory services. Certain employees of the management company also serve as officers (Board appointed non-voting positions) of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting and other administrative costs.

Note 9 - Concentration:

A significant portion of the District's activity is dependent upon the continued involvement of the Developer, Miromar Lakes, LLC, the loss of which could have a material adverse effect on the District's operations.

During the year ended September 30, 2014, the Developer was assessed approximately \$3.8 million for debt service and operations and maintenance assessments, representing 77% of total assessment revenue for the year.

Note 10 - Subsequent Event:

The District is evaluating a refunding for the existing Series 2003A Bonds in order to achieve a debt service savings. The District expects the refunding to occur no later than January, 2015.

COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Supervisors
Miromar Lakes Community Development District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of the *Miromar Lakes Community Development District* (the "District") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 25, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

MCDIRMIT DAVIS & COMPANY, LLC

934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McDiarmid Davis & Company, LLC

Orlando, Florida
November 25, 2014

MANAGEMENT COMMENTS

Board of Supervisors
Miromar Lakes Community Development District

Report on the Financial Statements

We have audited the financial statements of the *Miromar Lakes Community Development District*, (the "District") as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated November 25, 2014.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, which is dated November 25, 2014 should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, require that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no such findings in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the *Miromar Lakes Community Development District* has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the *Miromar Lakes Community Development District* did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the *Miromar Lakes Community Development District* financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the *Miromar Lakes Community Development District* for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

McDiarmid Davis & Company, LLC

Orlando, Florida
November 25, 2014

