



AGENDA

REGULAR MEETING



April 14, 2020



TERN BAY COMMUNITY DEVELOPMENT DISTRICT

April 6, 2020

Board of Supervisors
Tern Bay Community Development District

Dear Board Members:

The Regular Meeting of the Board of Supervisors of the Tern Bay Community Development District will be held on **Tuesday, April 14, 2020 at 10:00 a.m., via Telecommunication and can be accessed through the Web address below.**

Event address for attendees:

<https://districts.webex.com/districts/onstage/g.php?MTID=eae7cb781b31ddb1a5f63431b970629db>

Event password: Ternbay

Audio conference: To receive a call back, use the https: address above (you may also use the District's web site at www.Ternbaycdd.org – from the information page, and click on the link and provide your phone number when you join the event.

Please be advised that the Florida Governor's Office has declared a state of emergency due to the Coronavirus (COVID-19). As reported by the Center for Disease Control and World Health Organization, COVID-19 can spread from person-to-person through small droplets from the nose or mouth, including when an individual coughs or sneezes. These droplets may land on objects and surfaces. Other people may contract COVID-19 by touching these objects or surfaces, then touching their eyes, nose or mouth. Therefore, merely cleaning facilities, while extremely important and vital in this crisis, may not be enough to stop the spread of this virus. Those with weakened immune systems may want to avoid the District's meeting in order to avoid a potential exposure to the virus.

With the State of Emergency in Florida, and pursuant to Executive Orders 20-52 and 20-69 issued by Governor DeSantis on March 9, 2020 and March 20, 2020 respectively, and pursuant to Section 120.54(5)9b)2., Florida, Statutes, this meeting will be held utilizing communication media technology due to the current COVID-19 public health emergency. Toward that end, anyone wishing to listen and participate in the meeting can do so by connecting to a link that will be posted on the District's web site www.Ternbaycdd.org.

1. Call to Order & Roll Call
2. Consideration of Minutes.
 - I. February 11, 2020 Regular Meeting Minutes

3. Consideration of Resolution 2020-1 Re-Designating the Officers of the District.
 - a) Appointment of Board Member Replacement of Seat 4 (formerly David Caldwell) to the Board of Supervisors.
 - b) Administration of Oath of Office
 - c) Guide to the Sunshine Amendment and Code of Ethics
 - d) Form 1 – Statement of Financial Interests
4. Consideration of **Resolution 2020-2** approving the Proposed Budget for **Fiscal Year 2021** and Setting a Public Hearing for **Tuesday June 9, 2020 at 10:00 a.m.** at the **Country Inn and Suites 24244 Corporate Court, Port Charlotte, Florida 33954** or as otherwise permitted by law at said date and time in the event Executive Order 20-69 is still in effect due to Public Health Emergency.
5. Consideration of **Resolution 2020-3** of the Board of Supervisors of Tern Bay Community Development District declaring Special Assessments; indicating the location, nature and estimated cost of those improvements which cost is to be defrayed in whole or in part by the Special Assessments; providing the portion of the estimated cost of the Improvements to be defrayed in whole or in part by the Special Assessments; providing the manner in which such Special Assessments shall be made; providing when such Special Assessments shall be made; designating lands upon which the Special Assessments shall be levied; providing for an Assessment Plat; adopting a Preliminary Assessment Roll; providing for a Public Hearing to consider the advisability and propriety of said Assessments and the related Improvements; providing for Notice of said Public Hearing; providing for publication of this Resolution.
6. Consideration of **Resolution 2020-4** of the Board of Supervisors of Tern Bay Community Development District setting a Public Hearing to be held on **June 9, 2020 at 10:00 a.m.** at the **Country Inn and Suites 24244 Corporate Court, Port Charlotte, Florida 33954** or as otherwise permitted by law at said date and time in the event Executive Order 20-69 is still in effect due to Public Health Emergency, for the purpose of hearing public comment on imposing Special Assessments on certain property within the District generally described as the Tern Bay Community Development District in accordance with Chapters 170, 190 and 197, Florida Statutes.
7. Consideration of **Resolution 2020-5** of the Board of Supervisors of Tern Bay Community Development District Authorizing the Issuance of not to exceed \$35,000,000 aggregate Principal amount of Tern Bay Community Development District Special Assessment Bonds, in one or more series, to pay all or a portion of the Design, Acquisition, Construction costs of certain Public Infrastructure Improvements, including, but not limited to, Stormwater Management and Control Facilities, including, but not limited to, related earthwork and acquisition of lands relating thereto; offsite and onsite roadway improvements and impact fees; offsite and onsite water and Wastewater Systems, including connection charges; landscaping and irrigation in public rights-of-way, entrance features; undergrounding differential cost of utilities, wetland and wildlife mitigation and all related soft and incidental costs (collectively, the “project”), pursuant to Chapter 190, Florida Statutes, as amended; appointing U.S. Bank National Association to serve as Trustee; approving the Execution and Delivery of a Master Trust Indenture and a Supplemental Trust Indenture in substantially the forms attached hereto; providing that such Bonds shall not constitute a Debt, Liability or Obligation of Tern Bay Community Development District (except as otherwise provided herein), Charlotte County, Florida, or of the State of Florida or of any other political subdivision thereof, but shall be payable solely from

special assessments assessed and levied on the property within the District benefited by the project and subject to assessment; providing for the Judicial validation of such Bonds.

8. Staff Reports

- a) Attorney
- b) Engineer
- c) Manager
 - I. Financial Statement for the period ended January 31, 2020 (Unaudited)
 - II. Financial Statement for the period ended February 29, 2020 (Unaudited)
 - III. Financial Statement for the period ended March 31, 2020 (Unaudited)

9. Supervisor's Requests and Audience Comments

10. Adjournment

While it is necessary to hold the above referenced meeting of the District's Board of Supervisors despite the current public health emergency, the District fully encourages public participation in a safe and efficient manner. Toward that end, anyone wishing to listen and participate in the meeting can do so telephonically by calling the number listed on the Information page at www.Ternbaycdd.org. Additionally, participants are encouraged to submit questions and comments to the District Manager in advance at JimWard@JPWardAssociates.com to facilitate the Board's consideration of such questions and comments during the meeting.

The second order of business is the consideration of the February 11, 2020 regular meeting minutes.

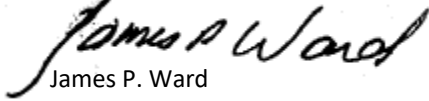
The third order of business is the Appointment of an Individual to fill seat 4 left vacant by Mr. David Caldwell.

The Fourth order of Business is consideration of **Resolution 2020-2**, The District's enabling legislation requires the District Manager to submit a Proposed Budget to the Board by June 15th of each year for your review and approval. The approval of the budget is only intended to permit the District to move through the process towards adopting the budget at a Public Hearing at a meeting of the Board of Supervisor's.

The approval of the Budget does not bind the Board to any of the costs contained in the budget, any of the programs contained in the Budget and most importantly it does not bind the Board to any of the Assessment Rates contemplated as a result of the preparation of the Budget. It does however set the maximum assessment rate for the general fund.

The balance of the Agenda is standard in nature and I look forward to seeing you at the meeting, and if you have any questions and/or comments, please do not hesitate to contact me directly at (954) 658-4900.

Yours sincerely,
Tern Bay Community Development District


James P. Ward
District Manager

The Fiscal Year 2020 schedule is as follows

October 3, 2019	November 7, 2019
December 5, 2019	January 14, 2020
February 11, 2020	March 10, 2020
April 14, 2020	May 12, 2020
June 9, 2020	July 14, 2020
August 11, 2020	September 8, 2020

**MINUTES OF MEETING
TERN BAY
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Board of Supervisors of the Tern Bay Community Development District was held on Tuesday, February 11, 2020 at 10:00 a.m. at the Country Inn and Suites, 24244 Corporate Court, Port Charlotte, Florida 33954.

Present and constituting a quorum:

Chris Hasty	Vice Chairperson
Anthony Burdett	Assistant Secretary
Barry Ernst	Assistant Secretary

Absent:

Russell Smith	Chairperson
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Also present were:

James P. Ward	District Manager
Greg Urbancic	District Counsel
Jay Gaines	Auditor

Audience:

Ceil and Tom Fillendoath
Bill and Kathy Karlen

All resident's names were not included with the minutes. If a resident did not identify themselves or the audio file did not pick up the name, the name was not recorded in these minutes.

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

District Manager James P. Ward called the meeting to order at approximately 10:00 a.m. and all members of the Board were present at roll call with the exception of Mr. Russell Smith.

SECOND ORDER OF BUSINESS

Acceptance of Resignation

Acceptance of Resignation of David Caldwell (Seat 4) from the Board of Supervisors, which resignation was effective December 20, 2019

Mr. Ward asked the Board to accept Mr. Caldwell's resignation for purposes of inclusion in the record.

On MOTION made by Mr. Chris Hasty, seconded by Mr. Barry Ernst, and with all in favor, the Resignation of David Caldwell was accepted for purposes of inclusion in the record.

a) Appointment of Board Member Replacement

Mr. Ward stated Mr. Caldwell’s term (Seat 4) expired in November 2020. He asked if the Board wished to appoint an individual to fill Seat 4. The Board wished to continue this Item until the next Meeting.

- b) Administration of Oath of Office**
- c) Guide to the Sunshine Amendment and Code of Ethics**
- d) Form 1 – Statement of Financial Interests**

THIRD ORDER OF BUSINESS

Consideration of Resolution 2020-1

Consideration of Resolution 2020-1 Re-Designating the Officers of the District.

Mr. Ward indicated the Third Order of Business would be continued until the next Meeting.

FOURTH ORDER OF BUSINESS

Consideration of Audited Financial Statements

Consideration of acceptance of Audited Financial Statements for the year ended September 30th, 2019

Mr. Ward stated Mr. Jay Gaines with the Auditing Firm of Berger Toombs, Elam, Gaines & Frank was on the phone to review the Audit.

Mr. Jay Gaines reported on page 1 and 2 was the Opinion; page 2 indicated the financial statements fairly represented all material respects. He explained this was an unmodified opinion and was a preferred opinion. He reported page 8 listed total assets as \$45.5 million dollars, and \$1.1 million dollars in liabilities, with a net position of \$44 million dollars as a result of debt forgiveness. He stated page 9 reflected the Statement of Activities which showed \$255,000 dollars in revenue and \$190,000 dollars in expenses with a positive change of \$65,000 dollars. He stated page 10 was the fund level statements which showed total assets of \$164,000 dollars and no liabilities for a fund balance of \$164,000 dollars. He indicated page 12 reflected revenues of \$255,000 dollars and expenditures of \$226,000 dollars with a positive change of \$30,000 dollars. He asked if there were questions; there were none.

On MOTION made by Mr. Barry Ernst, seconded by Mr. Chris Hasty, and with all in favor, the Audited Financial Statements for the year ended September 30th, 2019 were accepted for purposes of inclusion in the record.

FIFTH ORDER OF BUSINESS

Staff Reports

- a) Attorney**

No report.

- b) Engineer**

No report.

c) Manager

- I. Field Manager Report
- II. Financial Statement for the period ended December 31, 2019 (Unaudited)

Mr. Ward stated he had no report. He asked if there were any questions regarding the December financial statements; there were none.

SIXTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

There were no Supervisor's Requests or Audience Comments.

SEVENTH ORDER OF BUSINESS

Adjournment

Mr. Ward adjourned the meeting at approximately 10:04 a.m.

On MOTION made by Mr. Barry Ernst, seconded by Mr. Chris Hasty, and with all in favor, the meeting was adjourned.

Tern Bay Community Development District

James P. Ward, Secretary

Russell Smith, Chairperson

RESOLUTION 2020-1

A RESOLUTION RE-DESIGNATING CERTAIN OFFICERS OF THE TERN BAY COMMUNITY DEVELOPMENT DISTRICT; PROVIDING FOR SEVERABILITY AND INVALID PROVISIONS; PROVIDING FOR CONFLICT AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Board of Supervisors of the Tern Bay Community Development District desire to appoint the below recited person(s) to the offices specified.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE TERN BAY COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. DESIGNATION OF OFFICERS OF THE DISTRICT. The following persons are appointed to the offices shown.

Chairperson	<u>Russell Smith</u>
Vice-Chairperson	<u>Christopher Hasty</u>
Assistant Secretary	<u>Anthony Burdett</u>
Assistant Secretary	_____
Assistant Secretary	<u>Barry Ernst</u>
Treasurer	<u>James P. Ward</u>
Secretary	<u>James P. Ward</u>

SECTION 2. REMOVAL OF CERTAIN OFFICERS. Any other individuals are hereby removed as officers of the District.

SECTION 3. SEVERABILITY AND INVALID PROVISIONS. If any one of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contract to the policy of express law, but not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way effect the validity of the other provisions hereof.

SECTION 4. CONFLICT. That all Sections or parts of Sections of any Resolutions, Agreements or actions of the Board of Supervisor's in conflict are hereby repealed to the extent of such conflict.

SECTION 5. PROVIDING FOR AN EFFECTIVE DATE. This Resolution shall become effective immediately upon passage.

RESOLUTION 2020-1

**A RESOLUTION RE-DESIGNATING CERTAIN OFFICERS OF THE TERN BAY
COMMUNITY DEVELOPMENT DISTRICT; PROVIDING FOR SEVERABILITY
AND INVALID PROVISIONS; PROVIDING FOR CONFLICT AND PROVIDING
FOR AN EFFECTIVE DATE.**

PASSED AND ADOPTED this 10th day of March, 2020

**Tern Bay
Community Development District**

James P. Ward, Secretary

Russell Smith, Chairman

OATH OR AFFIRMATION OF OFFICE

I, _____, a citizen of the State of Florida and of the United States of America, and being an officer of the **Tern Bay Community Development District** and a recipient of public funds as such officer, do hereby solemnly swear or affirm that I will support the Constitution of the United States and of the State of Florida, and will faithfully, honestly and impartially discharge the duties devolving upon me as a member of the Board of Supervisors of the **Tern Bay Community Development District**, Charlotte County, Florida.

Signature

Printed Name: _____

STATE OF FLORIDA

COUNTY OF CHARLOTTE

Sworn to (or affirmed) before me by means of () physical presence or () online notarization this _____ day of _____, 2020, by _____, whose signature appears hereinabove, who is personally known to me or who produced _____ as identification.

NOTARY PUBLIC
STATE OF FLORIDA

Print Name: _____

My Commission Expires: _____

Please print or type your name, mailing address, agency name, and position below:

FOR OFFICE USE ONLY:

LAST NAME -- FIRST NAME -- MIDDLE NAME :

MAILING ADDRESS :

CITY : ZIP : COUNTY :

NAME OF AGENCY :

NAME OF OFFICE OR POSITION HELD OR SOUGHT :

CHECK ONLY IF CANDIDATE OR NEW EMPLOYEE OR APPOINTEE

****** THIS SECTION MUST BE COMPLETED ******

DISCLOSURE PERIOD:

THIS STATEMENT REFLECTS YOUR FINANCIAL INTERESTS FOR CALENDAR YEAR ENDING DECEMBER 31, 2019.

MANNER OF CALCULATING REPORTABLE INTERESTS:

FILERS HAVE THE OPTION OF USING REPORTING THRESHOLDS THAT ARE ABSOLUTE DOLLAR VALUES, WHICH REQUIRES FEWER CALCULATIONS, OR USING COMPARATIVE THRESHOLDS, WHICH ARE USUALLY BASED ON PERCENTAGE VALUES (see instructions for further details). CHECK THE ONE YOU ARE USING (**must check one**):

COMPARATIVE (PERCENTAGE) THRESHOLDS OR **DOLLAR VALUE THRESHOLDS**

PART A -- PRIMARY SOURCES OF INCOME [Major sources of income to the reporting person - See instructions]
(If you have nothing to report, write "none" or "n/a")

NAME OF SOURCE OF INCOME	SOURCE'S ADDRESS	DESCRIPTION OF THE SOURCE'S PRINCIPAL BUSINESS ACTIVITY

PART B -- SECONDARY SOURCES OF INCOME
[Major customers, clients, and other sources of income to businesses owned by the reporting person - See instructions]
(If you have nothing to report, write "none" or "n/a")

NAME OF BUSINESS ENTITY	NAME OF MAJOR SOURCES OF BUSINESS' INCOME	ADDRESS OF SOURCE	PRINCIPAL BUSINESS ACTIVITY OF SOURCE

PART C -- REAL PROPERTY [Land, buildings owned by the reporting person - See instructions]
(If you have nothing to report, write "none" or "n/a")

You are not limited to the space on the lines on this form. Attach additional sheets, if necessary.

FILING INSTRUCTIONS for when and where to file this form are located at the bottom of page 2.

INSTRUCTIONS on who must file this form and how to fill it out begin on page 3.

PART D — INTANGIBLE PERSONAL PROPERTY [Stocks, bonds, certificates of deposit, etc. - See instructions]
 (If you have nothing to report, write "none" or "n/a")

TYPE OF INTANGIBLE	BUSINESS ENTITY TO WHICH THE PROPERTY RELATES

PART E — LIABILITIES [Major debts - See instructions]
 (If you have nothing to report, write "none" or "n/a")

NAME OF CREDITOR	ADDRESS OF CREDITOR

PART F — INTERESTS IN SPECIFIED BUSINESSES [Ownership or positions in certain types of businesses - See instructions]
 (If you have nothing to report, write "none" or "n/a")

	BUSINESS ENTITY # 1	BUSINESS ENTITY # 2
NAME OF BUSINESS ENTITY		
ADDRESS OF BUSINESS ENTITY		
PRINCIPAL BUSINESS ACTIVITY		
POSITION HELD WITH ENTITY		
I OWN MORE THAN A 5% INTEREST IN THE BUSINESS		
NATURE OF MY OWNERSHIP INTEREST		

PART G — TRAINING

For **elected municipal officers** required to complete annual ethics training pursuant to section 112.3142, F.S.

I CERTIFY THAT I HAVE COMPLETED THE REQUIRED TRAINING.

IF ANY OF PARTS A THROUGH G ARE CONTINUED ON A SEPARATE SHEET, PLEASE CHECK HERE

SIGNATURE OF FILER:

Signature:

Date Signed:

CPA or ATTORNEY SIGNATURE ONLY

If a certified public accountant licensed under Chapter 473, or attorney in good standing with the Florida Bar prepared this form for you, he or she must complete the following statement:

I, _____, prepared the CE Form 1 in accordance with Section 112.3145, Florida Statutes, and the instructions to the form. Upon my reasonable knowledge and belief, the disclosure herein is true and correct.

CPA/Attorney Signature: _____

Date Signed: _____

FILING INSTRUCTIONS:

If you were mailed the form by the Commission on Ethics or a County Supervisor of Elections for your annual disclosure filing, return the form to that location. To determine what category your position falls under, see page 3 of instructions.

Local officers/employees file with the Supervisor of Elections of the county in which they permanently reside. (If you do not permanently reside in Florida, file with the Supervisor of the county where your agency has its headquarters.) Form 1 filers who file with the Supervisor of Elections may file by mail or email. Contact your Supervisor of Elections for the mailing address or email address to use. Do not email your form to the Commission on Ethics, it will be returned.

State officers or specified state employees who file with the Commission on Ethics may file by mail or email. To file by mail, send the completed form to P.O. Drawer 15709, Tallahassee, FL 32317-5709; physical address: 325 John Knox Rd, Bldg E, Ste 200, Tallahassee, FL 32303. To file with the Commission by email, scan your completed form and any attachments as a pdf (do not use any other format), send it to CEForm1@leg.state.fl.us and retain a copy for your records. Do not file by both mail and email. Choose only one filing method. Form 6s will not be accepted via email.

Candidates file this form together with their filing papers.

MULTIPLE FILING UNNECESSARY: A candidate who files a Form 1 with a qualifying officer is not required to file with the Commission or Supervisor of Elections.

WHEN TO FILE: Initially, each local officer/employee, state officer, and specified state employee must file **within 30 days** of the date of his or her appointment or of the beginning of employment. Appointees who must be confirmed by the Senate must file prior to confirmation, even if that is less than 30 days from the date of their appointment.

Candidates must file at the same time they file their qualifying papers.

Thereafter, file by July 1 following each calendar year in which they hold their positions.

Finally, file a final disclosure form (Form 1F) within 60 days of leaving office or employment. Filing a CE Form 1F (Final Statement of Financial Interests) does not relieve the filer of filing a CE Form 1 if the filer was in his or her position on December 31, 2019.

NOTICE

Annual Statements of Financial Interests are due July 1. If the annual form is not filed or postmarked by September 1, an automatic fine of \$25 for each day late will be imposed, up to a maximum penalty of \$1,500. Failure to file also can result in removal from public office or employment. [s. 112.3145, F.S.]

In addition, failure to make any required disclosure constitutes grounds for and may be punished by one or more of the following: disqualification from being on the ballot, impeachment, removal or suspension from office or employment, demotion, reduction in salary, reprimand, or a civil penalty not exceeding \$10,000. [s. 112.317, F.S.]

WHO MUST FILE FORM 1:

1) Elected public officials not serving in a political subdivision of the state and any person appointed to fill a vacancy in such office, unless required to file full disclosure on Form 6.

2) Appointed members of each board, commission, authority, or council having statewide jurisdiction, excluding members of solely advisory bodies, but including judicial nominating commission members; Directors of Enterprise Florida, Scripps Florida Funding Corporation, and Career Source Florida; and members of the Council on the Social Status of Black Men and Boys; the Executive Director, Governors, and senior managers of Citizens Property Insurance Corporation; Governors and senior managers of Florida Workers' Compensation Joint Underwriting Association; board members of the Northeast Fla. Regional Transportation Commission; board members of Triumph Gulf Coast, Inc; board members of Florida Is For Veterans, Inc.; and members of the Technology Advisory Council within the Agency for State Technology.

3) The Commissioner of Education, members of the State Board of Education, the Board of Governors, the local Boards of Trustees and Presidents of state universities, and the Florida Prepaid College Board.

4) Persons elected to office in any political subdivision (such as municipalities, counties, and special districts) and any person appointed to fill a vacancy in such office, unless required to file Form 6.

5) Appointed members of the following boards, councils, commissions, authorities, or other bodies of county, municipality, school district, independent special district, or other political subdivision: the governing body of the subdivision; community college or junior college district boards of trustees; boards having the power to enforce local code provisions; boards of adjustment; community redevelopment agencies; planning or zoning boards having the power to recommend, create, or modify land planning or zoning within a political subdivision, except for citizen advisory committees, technical coordinating committees, and similar groups who only have the power to make recommendations to planning or zoning boards, and except for representatives of a military installation acting on behalf of all military installations within that jurisdiction; pension or retirement boards empowered to invest pension or retirement funds or determine entitlement to or amount of pensions or other retirement benefits, and the Pinellas County Construction Licensing Board.

6) Any appointed member of a local government board who is required to file a statement of financial interests by the appointing authority or the enabling legislation, ordinance, or resolution creating the board.

7) Persons holding any of these positions in local government: mayor; county or city manager; chief administrative employee or finance

director of a county, municipality, or other political subdivision; county or municipal attorney; chief county or municipal building inspector; county or municipal water resources coordinator; county or municipal pollution control director; county or municipal environmental control director; county or municipal administrator with power to grant or deny a land development permit; chief of police; fire chief; municipal clerk; appointed district school superintendent; community college president; district medical examiner; purchasing agent (regardless of title) having the authority to make any purchase exceeding \$35,000 for the local governmental unit.

8) Officers and employees of entities serving as chief administrative officer of a political subdivision.

9) Members of governing boards of charter schools operated by a city or other public entity.

10) Employees in the office of the Governor or of a Cabinet member who are exempt from the Career Service System, excluding secretarial, clerical, and similar positions.

11) The following positions in each state department, commission, board, or council: Secretary, Assistant or Deputy Secretary, Executive Director, Assistant or Deputy Executive Director, and anyone having the power normally conferred upon such persons, regardless of title.

12) The following positions in each state department or division: Director, Assistant or Deputy Director, Bureau Chief, and any person having the power normally conferred upon such persons, regardless of title.

13) Assistant State Attorneys, Assistant Public Defenders, criminal conflict and civil regional counsel, and assistant criminal conflict and civil regional counsel, Public Counsel, full-time state employees serving as counsel or assistant counsel to a state agency, administrative law judges, and hearing officers.

14) The Superintendent or Director of a state mental health institute established for training and research in the mental health field, or any major state institution or facility established for corrections, training, treatment, or rehabilitation.

15) State agency Business Managers, Finance and Accounting Directors, Personnel Officers, Grant Coordinators, and purchasing agents (regardless of title) with power to make a purchase exceeding \$35,000.

16) The following positions in legislative branch agencies: each employee (other than those employed in maintenance, clerical, secretarial, or similar positions and legislative assistants exempted by the presiding officer of their house); and each employee of the Commission on Ethics.

INSTRUCTIONS FOR COMPLETING FORM 1:

INTRODUCTORY INFORMATION (Top of Form): If your name, mailing address, public agency, and position are already printed on the form, you do not need to provide this information unless it should be changed. To change any of this information, write the correct information on the form, and contact your agency's financial disclosure coordinator. You can find your coordinator on the Commission on Ethics website: www.ethics.state.fl.us.

NAME OF AGENCY: The name of the governmental unit which you serve or served, by which you are or were employed, or for which you are a candidate.

DISCLOSURE PERIOD: The "disclosure period" for your report is the calendar year ending December 31, 2019.

OFFICE OR POSITION HELD OR SOUGHT: The title of the office or position you hold, are seeking, or held during the disclosure period even if you have since left that position. If you are a candidate for office or are a new employee or appointee, check the appropriate box.

PUBLIC RECORD: The disclosure form and everything attached to it is a public record. Your Social Security Number is not required and you should redact it from any documents you file. If you are an active or former officer or employee listed in Section 119.071, F.S., whose home address is exempt from disclosure, the Commission will maintain that confidentiality if you submit a written request.

MANNER OF CALCULATING REPORTABLE INTEREST

Filers have the option of reporting based on either thresholds that are comparative (usually, based on percentage values) or thresholds that are based on absolute dollar values. The instructions on the following pages specifically describe the different thresholds. Check the box that reflects the choice you have made. You must use the type of threshold you have chosen for each part of the form. In other words, if you choose to report based on absolute dollar value thresholds, you cannot use a percentage threshold on any part of the form.

IF YOU HAVE CHOSEN DOLLAR VALUE THRESHOLDS THE FOLLOWING INSTRUCTIONS APPLY

PART A — PRIMARY SOURCES OF INCOME

[Required by s. 112.3145(3)(b)1, F.S.]

Part A is intended to require the disclosure of your principal sources of income during the disclosure period. You do not have to disclose any public salary or public position(s). The income of your spouse need not be disclosed; however, if there is joint income to you and your spouse from property you own jointly (such as interest or dividends from a bank account or stocks), you should disclose the source of that income if it exceeded the threshold.

Please list in this part of the form the name, address, and principal business activity of each source of your income which exceeded \$2,500 of gross income received by you in your own name or by any other person for your use or benefit.

"Gross income" means the same as it does for income tax purposes, even if the income is not actually taxable, such as interest on tax-free bonds. Examples include: compensation for services, income from business, gains from property dealings, interest, rents, dividends, pensions, IRA distributions, social security, distributive share of partnership gross income, and alimony, but not child support.

Examples:

— If you were employed by a company that manufactures computers and received more than \$2,500, list the name of the company, its address, and its principal business activity (computer manufacturing).

— If you were a partner in a law firm and your distributive share of partnership gross income exceeded \$2,500, list the name of the firm, its address, and its principal business activity (practice of law).

— If you were the sole proprietor of a retail gift business and your gross income from the business exceeded \$2,500, list the name of the business, its address, and its principal business activity (retail gift sales).

— If you received income from investments in stocks and bonds, list each individual company from which you derived more than \$2,500. Do not aggregate all of your investment income.

— If more than \$2,500 of your gross income was gain from the sale of property (not just the selling price), list as a source of income the purchaser's name, address and principal business activity. If the purchaser's identity is unknown, such as where securities listed on an exchange are sold through a brokerage firm, the source of income should be listed as "sale of (name of company) stock," for example.

— If more than \$2,500 of your gross income was in the form of interest from one particular financial institution (aggregating interest from all CD's, accounts, etc., at that institution), list the name of the institution, its address, and its principal business activity.

PART B — SECONDARY SOURCES OF INCOME

[Required by s. 112.3145(3)(b)2, F.S.]

This part is intended to require the disclosure of major customers, clients, and other sources of income to businesses in which you own an interest. It is not for reporting income from second jobs. That kind of income should be reported in Part A "Primary Sources of Income," if it meets the reporting threshold. You will not have anything to report unless, during the disclosure period:

(1) You owned (either directly or indirectly in the form of an equitable or beneficial interest) more than 5% of the total assets or capital stock of a business entity (a corporation, partnership, LLC, limited partnership, proprietorship, joint venture, trust, firm, etc., doing business in Florida); **and,**

(2) You received more than \$5,000 of your gross income during the disclosure period from that business entity.

If your interests and gross income exceeded these thresholds, then for that business entity you must list every source of income to the business entity which exceeded 10% of the business entity's gross income (computed on the basis of the business entity's most recently completed fiscal year), the source's address, and the source's principal business activity.

Examples:

— You are the sole proprietor of a dry cleaning business, from which you received more than \$5,000. If only one customer, a uniform rental company, provided more than 10% of your dry cleaning business, you must list the name of the uniform rental company, its address, and its principal business activity (uniform rentals).

— You are a 20% partner in a partnership that owns a shopping mall and your partnership income exceeded the above thresholds. List each tenant of the mall that provided more than 10% of the partnership's gross income and the tenant's address and principal business activity.

PART C — REAL PROPERTY

[Required by s. 112.3145(3)(b)3, F.S.]

In this part, list the location or description of all real property in Florida in which you owned directly or indirectly at any time during the disclosure period in excess of 5% of the property's value. You are not required to list your residences. You should list any vacation homes if you derive income from them.

Indirect ownership includes situations where you are a beneficiary of a trust that owns the property, as well as situations where you own more than 5% of a partnership or corporation that owns the property. The value of the property may be determined by the most recently assessed value for tax purposes, in the absence of a more current appraisal.

The location or description of the property should be sufficient to enable anyone who looks at the form to identify the property. A street address should be used, if one exists.

PART D — INTANGIBLE PERSONAL PROPERTY

[Required by s. 112.3145(3)(b)3, F.S.]

Describe any intangible personal property that, at any time during the disclosure period, was worth more than \$10,000 and state the business entity to which the property related. Intangible personal property includes things such as cash on hand, stocks, bonds, certificates of deposit, vehicle leases, interests in businesses, beneficial interests in trusts, money owed you, Deferred Retirement Option Program (DROP) accounts, the Florida Prepaid College Plan, and bank accounts. Intangible personal property also includes investment products held in IRAs, brokerage accounts, and the Florida College Investment Plan. Note that the product contained in a brokerage account, IRA, or the Florida College Investment Plan is your asset—not the account or plan itself. Things like automobiles and houses you own, jewelry, and paintings are not intangible property. Intangibles relating to the same business entity may be aggregated; for example, CDs and savings accounts with the same bank. Property owned as tenants by the entirety or as joint tenants with right of survivorship should be valued at 100%. The value of a leased vehicle is the vehicle's present value minus the lease residual (a number found on the lease document).

PART E — LIABILITIES

[Required by s. 112.3145(3)(b)4, F.S.]

List the name and address of each creditor to whom you owed more than \$10,000 at any time during the disclosure period. The amount of the liability of a vehicle lease is the sum of any past-due payments and all unpaid prospective lease payments. You are not required to list the amount of any debt. You do not have to disclose credit card and retail installment accounts, taxes owed (unless reduced to a judgment), indebtedness on a life insurance policy owed to the company of issuance, or contingent liabilities. A "contingent liability" is one that will become an actual liability only when one or more future events occur or fail to occur, such as where you are liable only as a guarantor, surety, or endorser on a promissory note. If you are a "co-maker" and are jointly liable or jointly and severally liable, then it is not a contingent liability.

PART F — INTERESTS IN SPECIFIED BUSINESSES

[Required by s. 112.3145(6), F.S.]

The types of businesses covered in this disclosure include: state and federally chartered banks; state and federal savings and loan associations; cemetery companies; insurance companies; mortgage companies; credit unions; small loan companies; alcoholic beverage licensees; pari-mutuel wagering companies, utility companies, entities controlled by the Public Service Commission; and entities granted a franchise to operate by either a city or a county government.

Disclose in this part the fact that you owned during the disclosure period an interest in, or held any of certain positions with the types of businesses listed above. You must make this disclosure if you own or owned (either directly or indirectly in the form of an equitable or beneficial interest) at any time during the disclosure period more than 5% of the total assets or capital stock of one of the types of business entities listed above. You also must complete this part of the form for each of these types of businesses for which you are, or were at any time during the disclosure period, an officer, director, partner, proprietor, or agent (other than a resident agent solely for service of process).

If you have or held such a position or ownership interest in one of these types of businesses, list the name of the business, its address and principal business activity, and the position held with the business (if any). If you own(ed) more than a 5% interest in the business, indicate that fact and describe the nature of your interest.

PART G — TRAINING CERTIFICATION

[Required by s. 112.3142, F.S.]

If you are a Constitutional or elected municipal officer whose service began before March 31 of the year for which you are filing, you are required to complete four hours of ethics training which addresses Article II, Section 8 of the Florida Constitution, the Code of Ethics for Public Officers and Employees, and the public records and open meetings laws of the state. You are required to certify on this form that you have taken such training.

(End of Dollar Value Thresholds Instructions.)

IF YOU HAVE CHOSEN COMPARATIVE (PERCENTAGE) THRESHOLDS THE FOLLOWING INSTRUCTIONS APPLY

PART A — PRIMARY SOURCES OF INCOME

[Required by s. 112.3145(3)(a)1, F.S.]

Part A is intended to require the disclosure of your principal sources of income during the disclosure period. You do not have to disclose any public salary or public position(s), but income from these public sources should be included when calculating your gross income for the disclosure period. The income of your spouse need not be disclosed; however, if there is joint income to you and your spouse from property you own jointly (such as interest or dividends from a bank account or stocks), you should include all of that income when calculating your gross income and disclose the source of that income if it exceeded the threshold.

Please list in this part of the form the name, address, and principal business activity of each source of your income which exceeded 5% of the gross income received by you in your own name or by any other person for your benefit or use during the disclosure period.

"Gross income" means the same as it does for income tax purposes, even if the income is not actually taxable, such as interest on tax-free bonds. Examples include: compensation for services, income from business, gains from property dealings, interest, rents, dividends, pensions, IRA distributions, social security, distributive share of partnership gross income, and alimony, but not child support.

Examples:

— If you were employed by a company that manufactures computers and received more than 5% of your gross income from the company, list the name of the company, its address, and its principal business activity (computer manufacturing).

— If you were a partner in a law firm and your distributive share of partnership gross income exceeded 5% of your gross income, then list the name of the firm, its address, and its principal business activity (practice of law).

— If you were the sole proprietor of a retail gift business and your gross income from the business exceeded 5% of your total gross income, list the name of the business, its address, and its principal business activity (retail gift sales).

— If you received income from investments in stocks and bonds, list each individual company from which you derived

more than 5% of your gross income. Do not aggregate all of your investment income.

— If more than 5% of your gross income was gain from the sale of property (not just the selling price), list as a source of income the purchaser's name, address, and principal business activity. If the purchaser's identity is unknown, such as where securities listed on an exchange are sold through a brokerage firm, the source of income should be listed as "sale of (name of company) stock," for example.

— If more than 5% of your gross income was in the form of interest from one particular financial institution (aggregating interest from all CD's, accounts, etc., at that institution), list the name of the institution, its address, and its principal business activity.

PART B — SECONDARY SOURCES OF INCOME

[Required by s. 112.3145(3)(a)2, F.S.]

This part is intended to require the disclosure of major customers, clients, and other sources of income to businesses in which you own an interest. It is not for reporting income from second jobs. That kind of income should be reported in Part A, "Primary Sources of Income," if it meets the reporting threshold. You will **not** have anything to report **unless** during the disclosure period:

(1) You owned (either directly or indirectly in the form of an equitable or beneficial interest) more than 5% of the total assets or capital stock of a business entity (a corporation, partnership, LLC, limited partnership, proprietorship, joint venture, trust, firm, etc., doing business in Florida); **and,**

(2) You received more than 10% of your gross income from that business entity; **and,**

(3) You received more than \$1,500 in gross income from that business entity.

If your interests and gross income exceeded these thresholds, then for that business entity you must list every source of income to the business entity which exceeded 10% of the business entity's gross income (computed on the basis of the business entity's most recently completed fiscal year), the source's address, and the source's principal business activity.

Examples:

— You are the sole proprietor of a dry cleaning business, from which you received more than 10% of your gross income—an amount that was more than \$1,500. If only one customer, a uniform rental company, provided more than 10% of your dry cleaning business, you must list the name of the uniform rental company, its address, and its principal business activity (uniform rentals).

— You are a 20% partner in a partnership that owns a shopping mall and your partnership income exceeded the thresholds listed above. You should list each tenant of the mall that provided more than 10% of the partnership's gross income, and the tenant's address and principal business activity.

PART C — REAL PROPERTY

[Required by s. 112.3145(3)(a)3, F.S.]

In this part, list the location or description of all real property in Florida in which you owned directly or indirectly at any time during the disclosure period in excess of 5% of the property's value. You are not required to list your residences. You should list any vacation homes, if you derive income from them.

Indirect ownership includes situations where you are a beneficiary of a trust that owns the property, as well as situations where you own more than 5% of a partnership or corporation that owns the property. The value of the property may be determined by the most recently assessed value for tax purposes, in the absence of a more current appraisal.

The location or description of the property should be sufficient to enable anyone who looks at the form to identify the property. A street address should be used, if one exists.

PART D — INTANGIBLE PERSONAL PROPERTY

[Required by s. 112.3145(3)(a)3, F.S.]

Describe any intangible personal property that, at any time during the disclosure period, was worth more than 10% of your total assets, and state the business entity to which the property related. Intangible personal property includes things such as cash on hand, stocks, bonds, certificates of deposit, vehicle leases, interests in businesses, beneficial interests in trusts, money owed you, Deferred Retirement Option Program (DROP) accounts, the Florida Prepaid College Plan, and bank accounts. Intangible personal property also includes investment products held in IRAs, brokerage accounts, and the Florida College Investment Plan. Note that the product contained in a brokerage account, IRA, or the Florida College Investment Plan is your asset—not the account or plan itself. Things like automobiles and houses you own, jewelry, and paintings are not intangible property. Intangibles relating to the same business entity may be aggregated; for example, CD's and savings accounts with the same bank.

Calculations: To determine whether the intangible property exceeds 10% of your total assets, total the fair market value of all of your assets (including real property, intangible property, and tangible personal property such as jewelry, furniture, etc.). When making this calculation, do not subtract any liabilities (debts) that may relate to the property. Multiply the total figure by 10% to arrive at the disclosure threshold. List only the intangibles that exceed this threshold amount. The value of a leased vehicle is the vehicle's present value minus the lease residual (a number which can be found on the lease document). Property that is only jointly owned property should be valued according to the percentage of your joint ownership. Property owned as tenants by the entirety or as joint tenants with right of survivorship should be valued at 100%. None of your calculations or the value of the property have to be disclosed on the form.

Example: You own 50% of the stock of a small corporation that is worth \$100,000, the estimated fair market value of your home and other property (bank accounts, automobile, furniture, etc.) is \$200,000. As your total assets are worth \$250,000, you must disclose intangibles worth over \$25,000. Since the value of the stock exceeds this threshold, you should list "stock" and the name of the corporation. If your accounts with a particular bank exceed \$25,000, you should list "bank accounts" and bank's name.

PART E — LIABILITIES

[Required by s. 112.3145(3)(b)4, F.S.]

List the name and address of each creditor to whom you owed any amount that, at any time during the disclosure period, exceeded your net worth. You are not required to list the amount of any debt or your net worth. You do not have to disclose: credit card and retail installment accounts, taxes owed (unless reduced to a judgment), indebtedness on a life insurance policy owed to the company of issuance, or contingent liabilities. A "contingent liability" is one that will become an actual liability only when one or more future events occur or fail to occur, such as where you are liable only as a guarantor, surety, or endorser on a promissory note. If you are a "co-maker" and are jointly liable or jointly and severally liable, it is not a contingent liability.

Calculations: To determine whether the debt exceeds your net worth, total all of your liabilities (including promissory notes, mortgages, credit card debts, judgments against you, etc.). The amount of the liability of a vehicle lease is the sum of any past-due payments and all unpaid prospective lease payments. Subtract the sum total of your liabilities from the value of all your assets as calculated above for Part D. This is your "net worth." List each creditor to whom your debt exceeded this amount unless it is one of the types of indebtedness listed in the paragraph above (credit card and retail installment accounts, etc.). Joint liabilities with others for which you are "jointly and severally liable," meaning that you may be liable for either your part or the whole of the obligation, should be included in your calculations at 100% of the amount owed.

Example: You owe \$15,000 to a bank for student loans, \$5,000 for credit card debts, and \$60,000 (with spouse) to a savings and loan for a home mortgage. Your home (owned by you and your spouse) is worth \$80,000 and your other property is worth \$20,000. Since your net worth is \$20,000 (\$100,000 minus \$80,000), you must report only the name and address of the savings and loan.

PART F — INTERESTS IN SPECIFIED BUSINESSES

[Required by s. 112.3145, F.S.]

The types of businesses covered in this disclosure include: state and federally chartered banks; state and federal savings and loan associations; cemetery companies; insurance companies; mortgage companies; credit unions; small loan companies; alcoholic beverage licensees; pari-mutuel wagering companies, utility companies, entities controlled by the Public Service Commission; and entities granted a franchise to operate by either a city or a county government.

Disclose in this part the fact that you owned during the disclosure period an interest in, or held any of certain positions with, the types of businesses listed above. You are required to make this disclosure if you own or owned (either directly or indirectly in the form of an equitable or beneficial interest) at any time during the disclosure period more than 5% of the total assets or capital stock of one of the types of business entities listed above. You also must complete this part of the form for each of these types of businesses for which you are, or were at any time during the disclosure period, an officer, director, partner, proprietor, or agent (other than a resident agent solely for service of process).

If you have or held such a position or ownership interest in one of these types of businesses, list the name of the business, its address and principal business activity, and the position held with the business (if any). If you own(ed) more than a 5% interest in the business, indicate that fact and describe the nature of your interest.

PART G — TRAINING CERTIFICATION

[Required by s. 112.3142, F.S.]

If you are a Constitutional or elected municipal officer whose service began before March 31 of the year for which you are filing, you are required to complete four hours of ethics training which addresses Article II, Section 8 of the Florida Constitution, the Code of Ethics for Public Officers and Employees, and the public records and open meetings laws of the state. You are required to certify on this form that you have taken such training.

(End of Percentage Thresholds Instructions.)

FLORIDA COMMISSION ON ETHICS



GUIDE
to the
SUNSHINE AMENDMENT
and
CODE of ETHICS
for Public Officers and Employees

2018

State of Florida
COMMISSION ON ETHICS

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I. HISTORY OF FLORIDA'S ETHICS LAWS

Florida has been a leader among the states in establishing ethics standards for public officials and recognizing the right of citizens to protect the public trust against abuse. Our state Constitution was revised in 1968 to require a code of ethics, prescribed by law, for all state employees and non-judicial officers prohibiting conflict between public duty and private interests.

Florida's first successful constitutional initiative resulted in the adoption of the Sunshine Amendment in 1976, providing additional constitutional guarantees concerning ethics in government. In the area of enforcement, the Sunshine Amendment requires that there be an independent commission (the Commission on Ethics) to investigate complaints concerning breaches of public trust by public officers and employees other than judges.

The Code of Ethics for Public Officers and Employees is found in Chapter 112 (Part III) of the Florida Statutes. Foremost among the goals of the Code is to promote the public interest and maintain the respect of the people for their government. The Code is also intended to ensure that public officials conduct themselves independently and impartially, not using their offices for private gain other than compensation provided by law. While seeking to protect the integrity of government, the Code also seeks to avoid the creation of unnecessary barriers to public service.

Criminal penalties, which initially applied to violations of the Code, were eliminated in 1974 in favor of administrative enforcement. The Legislature created the Commission on Ethics that year "to serve as guardian of the standards of conduct" for public officials, state and local. Five of the Commission's nine members are appointed by the Governor, and two each are appointed by the President of the Senate and Speaker of the House of Representatives. No more than five Commission members may be members of the same political party, and none may be lobbyists, or hold any public employment during their two-year terms of office. A chair is selected from among the members to serve a one-year term and may not succeed himself or herself.

II. ROLE OF THE COMMISSION ON ETHICS

In addition to its constitutional duties regarding the investigation of complaints, the Commission:

- Renders advisory opinions to public officials;
- Prescribes forms for public disclosure;
- Prepares mailing lists of public officials subject to financial disclosure for use by Supervisors of Elections and the Commission in distributing forms and notifying delinquent filers;
- Makes recommendations to disciplinary officials when appropriate for violations of ethics and disclosure laws, since it does not impose penalties;

- Administers the Executive Branch Lobbyist Registration and Reporting Law;
- Maintains financial disclosure filings of constitutional officers and state officers and employees; and,
- Administers automatic fines for public officers and employees who fail to timely file required annual financial disclosure.

III. THE ETHICS LAWS

The ethics laws generally consist of two types of provisions, those prohibiting certain actions or conduct and those requiring that certain disclosures be made to the public. The following descriptions of these laws have been simplified in an effort to provide notice of their requirements. Therefore, we suggest that you also review the wording of the actual law. Citations to the appropriate laws are in brackets.

The laws summarized below apply generally to all public officers and employees, state and local, including members of advisory bodies. The principal exception to this broad coverage is the exclusion of judges, as they fall within the jurisdiction of the Judicial Qualifications Commission.

Public Service Commission (PSC) members and employees, as well as members of the PSC Nominating Council, are subject to additional ethics standards that are enforced by the Commission on Ethics under Chapter 350, Florida Statutes. Further, members of the governing boards of charter schools are subject to some of the provisions of the Code of Ethics [Sec. 1002.33(26), Fla. Stat.], as are the officers, directors, chief executive officers and some employees of business entities that serve as the chief administrative or executive officer or employee of a political subdivision. [Sec. 112.3136, Fla. Stat.].

A. PROHIBITED ACTIONS OR CONDUCT

1. *Solicitation and Acceptance of Gifts*

Public officers, employees, local government attorneys, and candidates are prohibited from soliciting or accepting anything of value, such as a gift, loan, reward, promise of future employment, favor, or service that is based on an understanding that their vote, official action, or judgment would be influenced by such gift. [Sec. 112.313(2), Fla. Stat.]

Persons required to file financial disclosure FORM 1 or FORM 6 (see Part III F of this brochure), and state procurement employees, are prohibited from **soliciting** any gift from a political committee, lobbyist who has lobbied the official or his or her agency within the past 12 months, or the partner, firm, employer, or principal of such a lobbyist or from a vendor doing business with the official's agency. [Sec. 112.3148, Fla. Stat.]

Persons required to file FORM 1 or FORM 6, and state procurement employees are prohibited from directly or indirectly **accepting** a gift worth more than \$100 from such a lobbyist, from a partner, firm, employer, or principal of the lobbyist, or from a political committee or vendor doing business with their agency. [Sec.112.3148, Fla. Stat.]

However, effective in 2006 and notwithstanding Sec. 112.3148, Fla. Stat., no Executive Branch lobbyist or principal shall make, directly or indirectly, and no Executive Branch agency official who files FORM 1 or FORM 6 shall knowingly accept, directly or indirectly, **any expenditure** made for the purpose of lobbying. [Sec. 112.3215, Fla. Stat.] Typically, this would include gifts valued at less than \$100 that formerly were permitted under Section 112.3148, Fla. Stat. Similar rules apply to members and employees of the Legislature. However, these laws are not administered by the Commission on Ethics. [Sec. 11.045, Fla. Stat.]

Also, effective May 1, 2013, persons required to file Form 1 or Form 6, and state procurement employees and members of their immediate families, are prohibited from accepting any gift from a political committee. [Sec. 112.31485, Fla. Stat.]

2. Unauthorized Compensation

Public officers or employees, local government attorneys, and their spouses and minor children are prohibited from accepting any compensation, payment, or thing of value when they know, or with the exercise of reasonable care should know, that it is given to influence a vote or other official action. [Sec. 112.313(4), Fla. Stat.]

3. Misuse of Public Position

Public officers and employees, and local government attorneys are prohibited from corruptly using or attempting to use their official positions or the resources thereof to obtain a special privilege or benefit for themselves or others. [Sec. 112.313(6), Fla. Stat.]

4. Disclosure or Use of Certain Information

Public officers and employees and local government attorneys are prohibited from disclosing or using information not available to the public and obtained by reason of their public position, for the personal benefit of themselves or others. [Sec. 112.313(8), Fla. Stat.]

5. *Solicitation or Acceptance of Honoraria*

Persons required to file financial disclosure FORM 1 or FORM 6 (see Part III F of this brochure), and state procurement employees, are prohibited from **soliciting** honoraria related to their public offices or duties. [Sec. 112.3149, Fla. Stat.]

Persons required to file FORM 1 or FORM 6, and state procurement employees, are prohibited from knowingly **accepting** an honorarium from a political committee, lobbyist who has lobbied the person's agency within the past 12 months, or the partner, firm, employer, or principal of such a lobbyist, or from a vendor doing business with the official's agency. However, they may accept the payment of expenses related to an honorarium event from such individuals or entities, provided that the expenses are disclosed. See Part III F of this brochure. [Sec. 112.3149, Fla. Stat.]

Lobbyists and their partners, firms, employers, and principals, as well as political committees and vendors, are prohibited from **giving** an honorarium to persons required to file FORM 1 or FORM 6 and to state procurement employees. Violations of this law may result in fines of up to \$5,000 and prohibitions against lobbying for up to two years. [Sec. 112.3149, Fla. Stat.]

However, notwithstanding Sec. 112.3149, Fla. Stat., no Executive Branch or legislative lobbyist or principal shall make, directly or indirectly, and no Executive Branch agency official who files FORM 1 or FORM 6 shall knowingly accept, directly or indirectly, **any expenditure** made for the purpose of lobbying. [Sec. 112.3215, Fla. Stat.] This may include honorarium event related expenses that formerly were permitted under Sec. 112.3149, Fla. Stat. Similar rules apply to members and employees of the Legislature. However, these laws are not administered by the Commission on Ethics. [Sec. 11.045, Fla. Stat.]

B. PROHIBITED EMPLOYMENT AND BUSINESS RELATIONSHIPS

1. *Doing Business With One's Agency*

(a) A public employee acting as a purchasing agent, or public officer acting in an official capacity, is prohibited from purchasing, renting, or leasing any realty, goods, or services for his or her agency from a business entity in which the officer or employee or his or her spouse or child owns more than a 5% interest. [Sec. 112.313(3), Fla. Stat.]

(b) A public officer or employee, acting in a private capacity, also is prohibited from renting, leasing, or selling any realty, goods, or services to his or her own agency if the officer or employee is a state officer or employee, or, if he or she is an officer or employee of a political subdivision, to that subdivision or any of its agencies. [Sec. 112.313(3), Fla. Stat.]

2. *Conflicting Employment or Contractual Relationship*

(a) A public officer or employee is prohibited from holding any employment or contract with any business entity or agency regulated by or doing business with his or her public agency. [Sec. 112.313(7), Fla. Stat.]

(b) A public officer or employee also is prohibited from holding any employment or having a contractual relationship which will pose a frequently recurring conflict between the official's private interests and public duties or which will impede the full and faithful discharge of the official's public duties. [Sec. 112.313(7), Fla. Stat.]

(c) Limited exceptions to this prohibition have been created in the law for legislative bodies, certain special tax districts, drainage districts, and persons whose professions or occupations qualify them to hold their public positions. [Sec. 112.313(7)(a) and (b), Fla. Stat.]

3. *Exemptions—Pursuant to Sec. 112.313(12), Fla. Stat., the prohibitions against doing business with one's agency and having conflicting employment may not apply:*

(a) When the business is rotated among all qualified suppliers in a city or county.

(b) When the business is awarded by sealed, competitive bidding and neither the official nor his or her spouse or child have attempted to persuade agency personnel to enter the contract. NOTE: Disclosure of the interest of the official, spouse, or child and the nature of the business must be filed prior to or at the time of submission of the bid on Commission FORM 3A with the Commission on Ethics or Supervisor of Elections, depending on whether the official serves at the state or local level.

(c) When the purchase or sale is for legal advertising, utilities service, or for passage on a common carrier.

(d) When an emergency purchase must be made to protect the public health, safety, or welfare.

(e) When the business entity is the only source of supply within the political subdivision and there is full disclosure of the official's interest to the governing body on Commission FORM 4A.

(f) When the aggregate of any such transactions does not exceed \$500 in a calendar year.

(g) When the business transacted is the deposit of agency funds in a bank of which a county, city, or district official is an officer, director, or stockholder, so long as agency records show that the governing body has determined that the member did not favor his or her bank over other qualified banks.

(h) When the prohibitions are waived in the case of ADVISORY BOARD MEMBERS by the appointing person or by a two-thirds vote of the appointing body (after disclosure on Commission FORM 4A).

(i) When the public officer or employee purchases in a private capacity goods or services, at a price and upon terms available to similarly situated members of the general public, from a business entity which is doing business with his or her agency.

(j) When the public officer or employee in a private capacity purchases goods or services from a business entity which is subject to the regulation of his or her agency where the price and terms of the transaction are available to similarly situated members of the general public and the officer or employee makes full disclosure of the relationship to the agency head or governing body prior to the transaction.

4. Additional Exemptions

No elected public officer is in violation of the conflicting employment prohibition when employed by a tax exempt organization contracting with his or her agency so long as the officer is not directly or indirectly compensated as a result of the contract, does not participate in any way in the decision to enter into the contract, abstains from voting on any matter involving the employer, and makes certain disclosures. [Sec. 112.313(15), Fla. Stat.] A qualified blind trust established pursuant to Sec. 112.31425, Fla. Stat., may afford an official protection from conflicts of interest arising from assets placed in the trust.

5. Legislators Lobbying State Agencies

A member of the Legislature is prohibited from representing another person or entity for compensation during his or her term of office before any state agency other than judicial tribunals. [Art. II, Sec. 8(e), Fla. Const., and Sec. 112.313(9), Fla. Stat.]

6. Employees Holding Office

A public employee is prohibited from being a member of the governing body which serves as his or her employer. [Sec. 112.313(10), Fla. Stat.]

7. Professional and Occupational Licensing Board Members

An officer, director, or administrator of a state, county, or regional professional or occupational organization or association, while holding such position, may not serve as a member of a state examining or licensing board for the profession or occupation. [Sec. 112.313(11), Fla. Stat.]

8. *Contractual Services: Prohibited Employment*

A state employee of the executive or judicial branch who participates in the decision-making process involving a purchase request, who influences the content of any specification or procurement standard, or who renders advice, investigation, or auditing, regarding his or her agency's contract for services, is prohibited from being employed with a person holding such a contract with his or her agency. [Sec. 112.3185(2), Fla. Stat.]

9. *Local Government Attorneys*

Local government attorneys, such as the city attorney or county attorney, and their law firms are prohibited from representing private individuals and entities before the unit of local government which they serve. A local government attorney cannot recommend or otherwise refer to his or her firm legal work involving the local government unit unless the attorney's contract authorizes or mandates the use of that firm. [Sec. 112.313(16), Fla. Stat.]

10. *Dual Public Employment*

Candidates and elected officers are prohibited from accepting public employment if they know or should know it is being offered for the purpose of influence. Further, public employment may not be accepted unless the position was already in existence or was created without the anticipation of the official's interest, was publicly advertised, and the officer had to meet the same qualifications and go through the same hiring process as other applicants. For elected public officers already holding public employment, no promotion given for the purpose of influence may be accepted, nor may promotions that are inconsistent with those given other similarly situated employees. [Sec. 112.3125, Fla. Stat.]

C. RESTRICTIONS ON APPOINTING, EMPLOYING, AND CONTRACTING WITH RELATIVES

1. *Anti-Nepotism Law*

A public official is prohibited from seeking for a relative any appointment, employment, promotion, or advancement in the agency in which he or she is serving or over which the official exercises jurisdiction or control. No person may be appointed, employed, promoted, or advanced in or to a position in an agency if such action has been advocated by a related public official who is serving in or exercising jurisdiction or control over the agency; this includes relatives of members of collegial government bodies. NOTE: This prohibition does not apply to school districts (except as provided in Sec. 1012.23, Fla. Stat.), community colleges and state universities, or to appointments of boards, other than those with land-planning or zoning responsibilities, in municipalities of fewer than 35,000 residents. Also, the approval of budgets does not constitute "jurisdiction or control" for the purposes

of this prohibition. This provision does not apply to volunteer emergency medical, firefighting, or police service providers. [Sec. 112.3135, Fla. Stat.]

2. Additional Restrictions

A state employee of the executive or judicial branch or the PSC is prohibited from directly or indirectly procuring contractual services for his or her agency from a business entity of which a relative is an officer, partner, director, or proprietor, or in which the employee, or his or her spouse, or children own more than a 5% interest. [Sec. 112.3185(6), Fla. Stat.]

D. POST OFFICE HOLDING AND EMPLOYMENT (REVOLVING DOOR) RESTRICTIONS

1. Lobbying by Former Legislators, Statewide Elected Officers, and Appointed State Officers

A member of the Legislature or a statewide elected or appointed state official is prohibited for two years following vacation of office from representing another person or entity for compensation before the government body or agency of which the individual was an officer or member. Former members of the Legislature are also prohibited for two years from lobbying the executive branch. [Art. II, Sec. 8(e), Fla. Const. and Sec. 112.313(9), Fla. Stat.]

2. Lobbying by Former State Employees

Certain employees of the executive and legislative branches of state government are prohibited from personally representing another person or entity for compensation before the agency with which they were employed for a period of two years after leaving their positions, unless employed by another agency of state government. [Sec. 112.313(9), Fla. Stat.] These employees include the following:

(a) Executive and legislative branch employees serving in the Senior Management Service and Selected Exempt Service, as well as any person employed by the Department of the Lottery having authority over policy or procurement.

(b) Persons serving in the following position classifications: the Auditor General; the director of the Office of Program Policy Analysis and Government Accountability (OPPAGA); the Sergeant at Arms and Secretary of the Senate; the Sergeant at Arms and Clerk of the House of Representatives; the executive director and deputy executive director of the Commission on Ethics; an executive director, staff director, or deputy staff director of each joint committee, standing committee, or select committee of the Legislature; an executive director, staff director, executive assistant, legislative analyst, or attorney serving in the Office of the President of the Senate, the Office of the Speaker of the House of Representatives, the Senate Majority Party Office, the Senate Minority Party Office, the

House Majority Party Office, or the House Minority Party Office; the Chancellor and Vice-Chancellors of the State University System; the general counsel to the Board of Regents; the president, vice presidents, and deans of each state university; any person hired on a contractual basis and having the power normally conferred upon such persons, by whatever title; and any person having the power normally conferred upon the above positions.

This prohibition does not apply to a person who was employed by the Legislature or other agency prior to July 1, 1989; who was a defined employee of the State University System or the Public Service Commission who held such employment on December 31, 1994; or who reached normal retirement age and retired by July 1, 1991. It does apply to OPS employees.

PENALTIES: Persons found in violation of this section are subject to the penalties contained in the Code (see PENALTIES, Part V) as well as a civil penalty in an amount equal to the compensation which the person received for the prohibited conduct. [Sec. 112.313(9)(a)5, Fla. Stat.]

3. Additional Restrictions on Former State Employees

A former executive or judicial branch employee or PSC employee is prohibited from having employment or a contractual relationship, at any time after retirement or termination of employment, with any business entity (other than a public agency) in connection with a contract in which the employee participated personally and substantially by recommendation or decision while a public employee. [Sec. 112.3185(3), Fla. Stat.]

A former executive or judicial branch employee or PSC employee who has retired or terminated employment is prohibited from having any employment or contractual relationship for two years with any business entity (other than a public agency) in connection with a contract for services which was within his or her responsibility while serving as a state employee. [Sec.112.3185(4), Fla. Stat.]

Unless waived by the agency head, a former executive or judicial branch employee or PSC employee may not be paid more for contractual services provided by him or her to the former agency during the first year after leaving the agency than his or her annual salary before leaving. [Sec. 112.3185(5), Fla. Stat.]

These prohibitions do not apply to PSC employees who were so employed on or before Dec. 31, 1994.

4. Lobbying by Former Local Government Officers and Employees

A person elected to county, municipal, school district, or special district office is prohibited from representing another person or entity for compensation before the government body or agency of

which he or she was an officer for two years after leaving office. Appointed officers and employees of counties, municipalities, school districts, and special districts may be subject to a similar restriction by local ordinance or resolution. [Sec. 112.313(13) and (14), Fla. Stat.]

E. VOTING CONFLICTS OF INTEREST

State public officers are prohibited from voting in an official capacity on any measure which they know would inure to their own special private gain or loss. A state public officer who abstains, or who votes on a measure which the officer knows would inure to the special private gain or loss of any principal by whom he or she is retained, of the parent organization or subsidiary or sibling of a corporate principal by which he or she is retained, of a relative, or of a business associate, must make every reasonable effort to file a memorandum of voting conflict with the recording secretary in advance of the vote. If that is not possible, it must be filed within 15 days after the vote occurs. The memorandum must disclose the nature of the officer's interest in the matter.

No county, municipal, or other local public officer shall vote in an official capacity upon any measure which would inure to his or her special private gain or loss, or which the officer knows would inure to the special private gain or loss of any principal by whom he or she is retained, of the parent organization or subsidiary or sibling of a corporate principal by which he or she is retained, of a relative, or of a business associate. The officer must publicly announce the nature of his or her interest before the vote and must file a memorandum of voting conflict on Commission Form 8B with the meeting's recording officer within 15 days after the vote occurs disclosing the nature of his or her interest in the matter. However, members of community redevelopment agencies and district officers elected on a one-acre, one-vote basis are not required to abstain when voting in that capacity.

No appointed state or local officer shall participate in any matter which would inure to the officer's special private gain or loss, the special private gain or loss of any principal by whom he or she is retained, of the parent organization or subsidiary or sibling of a corporate principal by which he or she is retained, of a relative, or of a business associate, without first disclosing the nature of his or her interest in the matter. The memorandum of voting conflict (Commission Form 8A or 8B) must be filed with the meeting's recording officer, be provided to the other members of the agency, and be read publicly at the next meeting.

If the conflict is unknown or not disclosed prior to the meeting, the appointed official must orally disclose the conflict at the meeting when the conflict becomes known. Also, a written memorandum of voting conflict must be filed with the meeting's recording officer within 15 days of the disclosure being made and must be provided to the other members of the agency, with the disclosure being read publicly at the next scheduled meeting. [Sec. 112.3143, Fla. Stat.]

A qualified blind trust established pursuant to Sec. 112.31425, Fla. Stat., may afford an official protection from voting conflicts of interest arising from assets placed in the trust.

F. DISCLOSURES

Conflicts of interest may occur when public officials are in a position to make decisions that affect their personal financial interests. This is why public officers and employees, as well as candidates who run for public office, are required to publicly disclose their financial interests. The disclosure process serves to remind officials of their obligation to put the public interest above personal considerations. It also helps citizens to monitor the considerations of those who spend their tax dollars and participate in public policy decisions or administration.

All public officials and candidates do not file the same degree of disclosure; nor do they all file at the same time or place. Thus, care must be taken to determine which disclosure forms a particular official or candidate is required to file.

The following forms are described below to set forth the requirements of the various disclosures and the steps for correctly providing the information in a timely manner.

1. FORM 1 - Limited Financial Disclosure

Who Must File:

Persons required to file FORM 1 include all state officers, local officers, candidates for local elective office, and specified state employees as defined below (other than those officers who are required by law to file FORM 6).

STATE OFFICERS include:

- 1) Elected public officials not serving in a political subdivision of the state and any person appointed to fill a vacancy in such office, unless required to file full disclosure on Form 6.

- 2) Appointed members of each board, commission, authority, or council having statewide jurisdiction, excluding members of solely advisory bodies; but including judicial nominating commission members; directors of Enterprise Florida, Scripps Florida Funding Corporation, and CareerSource Florida, and members of the Council on the Social Status of Black Men and Boys; the Executive Director, governors, and senior managers of Citizens Property Insurance Corporation; governors and senior managers of Florida Workers' Compensation Joint Underwriting Association, board members of the Northeast Florida Regional Transportation Commission, and members of the board of Triumph Gulf Coast, Inc.;

members of the board of Florida is for Veterans, Inc.; and members of the Technology Advisory Council within the Agency for State Technology.

3) The Commissioner of Education, members of the State Board of Education, the Board of Governors, local boards of trustees and presidents of state universities, and members of the Florida Prepaid College Board.

LOCAL OFFICERS include:

1) Persons elected to office in any political subdivision (such as municipalities, counties, and special districts) and any person appointed to fill a vacancy in such office, unless required to file full disclosure on Form 6.

2) Appointed members of the following boards, councils, commissions, authorities, or other bodies of any county, municipality, school district, independent special district, or other political subdivision: the governing body of the subdivision; a community college or junior college district board of trustees; a board having the power to enforce local code provisions; a planning or zoning board, board of adjustments or appeals, community redevelopment agency board, or other board having the power to recommend, create, or modify land planning or zoning within the political subdivision, except for citizen advisory committees, technical coordinating committees, and similar groups who only have the power to make recommendations to planning or zoning boards, except for representatives of a military installation acting on behalf of all military installations within that jurisdiction; a pension board or retirement board empowered to invest pension or retirement funds or to determine entitlement to or amount of a pension or other retirement benefit.

3) Any other appointed member of a local government board who is required to file a statement of financial interests by the appointing authority or the enabling legislation, ordinance, or resolution creating the board.

4) Persons holding any of these positions in local government: mayor; county or city manager; chief administrative employee or finance director of a county, municipality, or other political subdivision; county or municipal attorney; chief county or municipal building inspector; county or municipal water resources coordinator; county or municipal pollution control director; county or municipal environmental control director; county or municipal administrator with power to grant or deny a land development permit; chief of police; fire chief; municipal clerk; appointed district school superintendent; community college president; district medical examiner; purchasing agent (regardless of title) having the authority to make any purchase exceeding \$20,000 for the local governmental unit.

5) Members of governing boards of charter schools operated by a city or other public entity.

6) The officers, directors, and chief executive officer of a corporation, partnership, or other business entity that is serving as the chief administrative or executive officer or employee of a political subdivision, and any business entity employee who is acting as the chief administrative or executive officer or employee of the political subdivision. [Sec. 112.3136, Fla. Stat.]

SPECIFIED STATE EMPLOYEE includes:

1) Employees in the Office of the Governor or of a Cabinet member who are exempt from the Career Service System, excluding secretarial, clerical, and similar positions.

2) The following positions in each state department, commission, board, or council: secretary or state surgeon general, assistant or deputy secretary, executive director, assistant or deputy executive director, and anyone having the power normally conferred upon such persons, regardless of title.

3) The following positions in each state department or division: director, assistant or deputy director, bureau chief, assistant bureau chief, and any person having the power normally conferred upon such persons, regardless of title.

4) Assistant state attorneys, assistant public defenders, criminal conflict and civil regional counsel, assistant criminal conflict and civil regional counsel, public counsel, full-time state employees serving as counsel or assistant counsel to a state agency, judges of compensation claims, administrative law judges, and hearing officers.

5) The superintendent or director of a state mental health institute established for training and research in the mental health field, or any major state institution or facility established for corrections, training, treatment, or rehabilitation.

6) State agency business managers, finance and accounting directors, personnel officers, grant coordinators, and purchasing agents (regardless of title) with power to make a purchase exceeding \$20,000.

7) The following positions in legislative branch agencies: each employee (other than those employed in maintenance, clerical, secretarial, or similar positions and legislative assistants exempted by the presiding officer of their house); and each employee of the Commission on Ethics.

What Must Be Disclosed:

FORM 1 requirements are set forth fully on the form. In general, this includes the reporting person's sources and types of financial interests, such as the names of employers and addresses of real property holdings. NO DOLLAR VALUES ARE REQUIRED TO BE LISTED. In addition, the form requires the

disclosure of certain relationships with, and ownership interests in, specified types of businesses such as banks, savings and loans, insurance companies, and utility companies.

When to File:

CANDIDATES for elected local office must file FORM 1 together with and at the same time they file their qualifying papers.

STATE and LOCAL OFFICERS and SPECIFIED STATE EMPLOYEES are required to file disclosure by July 1 of each year. They also must file within thirty days from the date of appointment or the beginning of employment. Those appointees requiring Senate confirmation must file prior to confirmation.

Where to File:

Each LOCAL OFFICER files FORM 1 with the Supervisor of Elections in the county in which he or she permanently resides.

A STATE OFFICER or SPECIFIED STATE EMPLOYEE files with the Commission on Ethics. [Sec. 112.3145, Fla. Stat.]

2. *FORM 1F - Final Form 1 Limited Financial Disclosure*

FORM 1F is the disclosure form required to be filed within 60 days after a public officer or employee required to file FORM 1 leaves his or her public position. The form covers the disclosure period between January 1 and the last day of office or employment within that year.

3. *FORM 2 - Quarterly Client Disclosure*

The state officers, local officers, and specified state employees listed above, as well as elected constitutional officers, must file a FORM 2 if they or a partner or associate of their professional firm represent a client for compensation before an agency at their level of government.

A FORM 2 disclosure includes the names of clients represented by the reporting person or by any partner or associate of his or her professional firm for a fee or commission before agencies at the reporting person's level of government. Such representations do not include appearances in ministerial matters, appearances before judges of compensation claims, or representations on behalf of one's agency in one's official capacity. Nor does the term include the preparation and filing of forms and applications merely for the purpose of obtaining or transferring a license, so long as the issuance of the license does not require a variance, special consideration, or a certificate of public convenience and necessity.

When to File:

This disclosure should be filed quarterly, by the end of the calendar quarter following the calendar quarter during which a reportable representation was made. FORM 2 need not be filed merely to indicate that no reportable representations occurred during the preceding quarter; it should be filed ONLY when reportable representations were made during the quarter.

Where To File:

LOCAL OFFICERS file with the Supervisor of Elections of the county in which they permanently reside.

STATE OFFICERS and SPECIFIED STATE EMPLOYEES file with the Commission on Ethics. [Sec. 112.3145(4), Fla. Stat.]

4. *FORM 6 - Full and Public Disclosure*

Who Must File:

Persons required by law to file FORM 6 include all elected constitutional officers and candidates for such office; the mayor and members of the city council and candidates for these offices in Jacksonville; the Duval County Superintendent of Schools; judges of compensation claims (pursuant to Sec. 440.442, Fla. Stat.); members of the Florida Housing Finance Corporation Board and members of expressway authorities, transportation authorities (except the Jacksonville Transportation Authority), bridge authority, or toll authorities created pursuant to Ch. 348 or 343, or 349, or other general law.

What Must be Disclosed:

FORM 6 is a detailed disclosure of assets, liabilities, and sources of income over \$1,000 and their values, as well as net worth. Officials may opt to file their most recent income tax return in lieu of listing sources of income but still must disclose their assets, liabilities, and net worth. In addition, the form requires the disclosure of certain relationships with, and ownership interests in, specified types of businesses such as banks, savings and loans, insurance companies, and utility companies.

When and Where To File:

Incumbent officials must file FORM 6 annually by July 1 with the Commission on Ethics. CANDIDATES must file with the officer before whom they qualify at the time of qualifying. [Art. II, Sec. 8(a) and (i), Fla. Const., and Sec. 112.3144, Fla. Stat.]

5. *FORM 6F - Final Form 6 Full and Public Disclosure*

This is the disclosure form required to be filed within 60 days after a public officer or employee required to file FORM 6 leaves his or her public position. The form covers the disclosure period between January 1 and the last day of office or employment within that year.

6. *FORM 9 - Quarterly Gift Disclosure*

Each person required to file FORM 1 or FORM 6, and each state procurement employee, must file a FORM 9, Quarterly Gift Disclosure, with the Commission on Ethics on the last day of any calendar quarter following the calendar quarter in which he or she received a gift worth more than \$100, other than gifts from relatives, gifts prohibited from being accepted, gifts primarily associated with his or her business or employment, and gifts otherwise required to be disclosed. FORM 9 NEED NOT BE FILED if no such gift was received during the calendar quarter.

Information to be disclosed includes a description of the gift and its value, the name and address of the donor, the date of the gift, and a copy of any receipt for the gift provided by the donor. [Sec. 112.3148, Fla. Stat.]

7. *FORM 10 - Annual Disclosure of Gifts from Government Agencies and Direct-Support Organizations and Honorarium Event Related Expenses*

State government entities, airport authorities, counties, municipalities, school boards, water management districts, and the South Florida Regional Transportation Authority, may give a gift worth more than \$100 to a person required to file FORM 1 or FORM 6, and to state procurement employees, if a public purpose can be shown for the gift. Also, a direct-support organization for a governmental entity may give such a gift to a person who is an officer or employee of that entity. These gifts are to be reported on FORM 10, to be filed by July 1.

The governmental entity or direct-support organization giving the gift must provide the officer or employee with a statement about the gift no later than March 1 of the following year. The officer or employee then must disclose this information by filing a statement by July 1 with his or her annual financial disclosure that describes the gift and lists the donor, the date of the gift, and the value of the total gifts provided during the calendar year. State procurement employees file their statements with the Commission on Ethics. [Sec. 112.3148, Fla. Stat.]

In addition, a person required to file FORM 1 or FORM 6, or a state procurement employee, who receives expenses or payment of expenses related to an honorarium event from someone who is prohibited from giving him or her an honorarium, must disclose annually the name, address, and affiliation of the donor, the amount of the expenses, the date of the event, a description of the

expenses paid or provided, and the total value of the expenses on FORM 10. The donor paying the expenses must provide the officer or employee with a statement about the expenses within 60 days of the honorarium event.

The disclosure must be filed by July 1, for expenses received during the previous calendar year, with the officer's or employee's FORM 1 or FORM 6. State procurement employees file their statements with the Commission on Ethics. [Sec. 112.3149, Fla. Stat.]

However, notwithstanding Sec. 112.3149, Fla. Stat., no executive branch or legislative lobbyist or principal shall make, directly or indirectly, and no executive branch agency official or employee who files FORM 1 or FORM 6 shall knowingly accept, directly or indirectly, **any expenditure** made for the purpose of lobbying. This may include gifts or honorarium event related expenses that formerly were permitted under Sections 112.3148 and 112.3149. [Sec. 112.3215, Fla. Stat.] Similar prohibitions apply to legislative officials and employees. However, these laws are not administered by the Commission on Ethics. [Sec. 11.045, Fla. Stat.] In addition, gifts, which include anything not primarily related to political activities authorized under ch. 106, are prohibited from political committees. [Sec. 112.31485 Fla. Stat.]

8. *FORM 30 - Donor's Quarterly Gift Disclosure*

As mentioned above, the following persons and entities generally are prohibited from giving a gift worth more than \$100 to a reporting individual (a person required to file FORM 1 or FORM 6) or to a state procurement employee: a political committee; a lobbyist who lobbies the reporting individual's or procurement employee's agency, and the partner, firm, employer, or principal of such a lobbyist; and vendors. If such person or entity makes a gift worth between \$25 and \$100 to a reporting individual or state procurement employee (that is not accepted in behalf of a governmental entity or charitable organization), the gift should be reported on FORM 30. The donor also must notify the recipient at the time the gift is made that it will be reported.

The FORM 30 should be filed by the last day of the calendar quarter following the calendar quarter in which the gift was made. If the gift was made to an individual in the legislative branch, FORM 30 should be filed with the Lobbyist Registrar. [See page 35 for address.] If the gift was to any other reporting individual or state procurement employee, FORM 30 should be filed with the Commission on Ethics.

However, notwithstanding Section 112.3148, Fla. Stat., no executive branch lobbyist or principal shall make, directly or indirectly, and no executive branch agency official or employee who files FORM 1 or FORM 6 shall knowingly accept, directly or indirectly, **any expenditure** made for the purpose of lobbying. This may include gifts that formerly were permitted under Section 112.3148. [Sec. 112.3215, Fla. Stat.] Similar prohibitions apply to legislative officials and employees. However, these laws are not administered

by the Commission on Ethics. [Sec. 11.045, Fla. Stat.] In addition, gifts from political committees are prohibited. [Sec. 112.31485, Fla. Stat.]

9. *FORM 1X AND FORM 6X - Amendments to Form 1 and Form 6*

These forms are provided for officers or employees to amend their previously filed Form 1 or Form 6.

IV. AVAILABILITY OF FORMS

LOCAL OFFICERS and EMPLOYEES who must file FORM 1 annually will be sent the form by mail from the Supervisor of Elections in the county in which they permanently reside not later than JUNE 1 of each year. Newly elected and appointed officials or employees should contact the heads of their agencies for copies of the form or download it from www.ethics.state.fl.us, as should those persons who are required to file their final disclosure statements within 60 days of leaving office or employment.

ELECTED CONSTITUTIONAL OFFICERS, OTHER STATE OFFICERS, and SPECIFIED STATE EMPLOYEES who must file annually FORM 1 or 6 will be sent these forms by mail from the Commission on Ethics by JUNE 1 of each year. Newly elected and appointed officers and employees should contact the heads of their agencies or the Commission on Ethics for copies of the form or download it from www.ethics.state.fl.us, as should those persons who are required to file their final disclosure statements within 60 days of leaving office or employment.

Any person needing one or more of the other forms described here may also obtain them from a Supervisor of Elections or from the Commission on Ethics, P.O. Drawer 15709, Tallahassee, Florida 32317-5709. They are also available on the Commission's website: www.ethics.state.fl.us.

V. PENALTIES

A. Non-criminal Penalties for Violation of the Sunshine Amendment and the Code of Ethics

There are no criminal penalties for violation of the Sunshine Amendment and the Code of Ethics. Penalties for violation of these laws may include: impeachment, removal from office or employment, suspension, public censure, reprimand, demotion, reduction in salary level, forfeiture of no more than one-third salary per month for no more than twelve months, a civil penalty not to exceed \$10,000, and restitution of any pecuniary benefits received, and triple the value of a gift from a political committee.

B. Penalties for Candidates

CANDIDATES for public office who are found in violation of the Sunshine Amendment or the Code of Ethics may be subject to one or more of the following penalties: disqualification from being on the

ballot, public censure, reprimand, or a civil penalty not to exceed \$10,000, and triple the value of a gift received from a political committee.

C. Penalties for Former Officers and Employees

FORMER PUBLIC OFFICERS or EMPLOYEES who are found in violation of a provision applicable to former officers or employees or whose violation occurred prior to such officer's or employee's leaving public office or employment may be subject to one or more of the following penalties: public censure and reprimand, a civil penalty not to exceed \$10,000, and restitution of any pecuniary benefits received, and triple the value of a gift received from a political committee.

D. Penalties for Lobbyists and Others

An executive branch lobbyist who has failed to comply with the Executive Branch Lobbying Registration law (see Part VIII) may be fined up to \$5,000, reprimanded, censured, or prohibited from lobbying executive branch agencies for up to two years. Lobbyists, their employers, principals, partners, and firms, and political committees and committees of continuous existence who give a prohibited gift or honorarium or fail to comply with the gift reporting requirements for gifts worth between \$25 and \$100, may be penalized by a fine of not more than \$5,000 and a prohibition on lobbying, or employing a lobbyist to lobby, before the agency of the public officer or employee to whom the gift was given for up to two years. Any agent or person acting on behalf of a political committee giving a prohibited gift is personally liable for a civil penalty of up to triple the value of the gift.

Executive Branch lobbying firms that fail to timely file their quarterly compensation reports may be fined \$50 per day per principal for each day the report is late, up to a maximum fine of \$5,000 per report.

E. Felony Convictions: Forfeiture of Retirement Benefits

Public officers and employees are subject to forfeiture of all rights and benefits under the retirement system to which they belong if convicted of certain offenses. The offenses include embezzlement or theft of public funds; bribery; felonies specified in Chapter 838, Florida Statutes; impeachable offenses; and felonies committed with intent to defraud the public or their public agency. [Sec. 112.3173, Fla. Stat.]

F. Automatic Penalties for Failure to File Annual Disclosure

Public officers and employees required to file either Form 1 or Form 6 annual financial disclosure are subject to automatic fines of \$25 for each day late the form is filed after September 1, up to a maximum penalty of \$1,500. [Sec. 112.3144 and 112.3145, Fla. Stat.]

VI. ADVISORY OPINIONS

Conflicts of interest may be avoided by greater awareness of the ethics laws on the part of public officials and employees through advisory assistance from the Commission on Ethics.

A. Who Can Request an Opinion

Any public officer, candidate for public office, or public employee in Florida who is in doubt about the applicability of the standards of conduct or disclosure laws to himself or herself, or anyone who has the power to hire or terminate another public employee, may seek an advisory opinion from the Commission about himself or herself or that employee.

B. How to Request an Opinion

Opinions may be requested by letter presenting a question based on a real situation and including a detailed description of the situation. Opinions are issued by the Commission and are binding on the conduct of the person who is the subject of the opinion, unless material facts were omitted or misstated in the request for the opinion. Published opinions will not bear the name of the persons involved unless they consent to the use of their names; however, the request and all information pertaining to it is a public record, made available to the Commission and to members of the public in advance of the Commission's consideration of the question.

C. How to Obtain Published Opinions

All of the Commission's opinions are available for viewing or download at its website: www.ethics.state.fl.us.

VII. COMPLAINTS

A. Citizen Involvement

The Commission on Ethics cannot conduct investigations of alleged violations of the Sunshine Amendment or the Code of Ethics unless a person files a sworn complaint with the Commission alleging such violation has occurred, or a referral is received, as discussed below.

If you have knowledge that a person in government has violated the standards of conduct or disclosure laws described above, you may report these violations to the Commission by filing a sworn complaint on the form prescribed by the Commission and available for download at www.ethics.state.fl.us. The Commission is unable to take action based on learning of such misdeeds through newspaper reports, telephone calls, or letters.

You can obtain a complaint form (FORM 50), by contacting the Commission office at the address or phone number shown on the inside front cover of this booklet, or you can download it from the Commission's website:
www.ethics.state.fl.us.

B. Referrals

The Commission may accept referrals from: the Governor, the Florida Department of Law Enforcement, a State Attorney, or a U.S. Attorney. A vote of six of the Commission's nine members is required to proceed on such a referral.

C. Confidentiality

The complaint or referral, as well as all proceedings and records relating thereto, is confidential until the accused requests that such records be made public or until the matter reaches a stage in the Commission's proceedings where it becomes public. This means that unless the Commission receives a written waiver of confidentiality from the accused, the Commission is not free to release any documents or to comment on a complaint or referral to members of the public or press, so long as the complaint or referral remains in a confidential stage.

A COMPLAINT OR REFERRAL MAY NOT BE FILED WITH RESPECT TO A CANDIDATE ON THE DAY OF THE ELECTION, OR WITHIN THE 30 CALENDAR DAYS PRECEDING THE ELECTION DATE, UNLESS IT IS BASED ON PERSONAL INFORMATION OR INFORMATION OTHER THAN HEARSAY.

D. How the Complaint Process Works

Complaints which allege a matter within the Commission's jurisdiction are assigned a tracking number and Commission staff forwards a copy of the original sworn complaint to the accused within five working days of its receipt. Any subsequent sworn amendments to the complaint also are transmitted within five working days of their receipt.

Once a complaint is filed, it goes through three procedural stages under the Commission's rules. The first stage is a determination of whether the allegations of the complaint are legally sufficient: that is, whether they indicate a possible violation of any law over which the Commission has jurisdiction. If the

complaint is found not to be legally sufficient, the Commission will order that the complaint be dismissed without investigation, and all records relating to the complaint will become public at that time.

In cases of very minor financial disclosure violations, the official will be allowed an opportunity to correct or amend his or her disclosure form. Otherwise, if the complaint is found to be legally sufficient, a preliminary investigation will be undertaken by the investigative staff of the Commission. The second stage of the Commission's proceedings involves this preliminary investigation and a decision by the Commission as to whether there is probable cause to believe that there has been a violation of any of the ethics laws. If the Commission finds no probable cause to believe there has been a violation of the ethics laws, the complaint will be dismissed and will become a matter of public record. If the Commission finds probable cause to believe there has been a violation of the ethics laws, the complaint becomes public and usually enters the third stage of proceedings. This stage requires the Commission to decide whether the law was actually violated and, if so, whether a penalty should be recommended. At this stage, the accused has the right to request a public hearing (trial) at which evidence is presented, or the Commission may order that such a hearing be held. Public hearings usually are held in or near the area where the alleged violation occurred.

When the Commission concludes that a violation has been committed, it issues a public report of its findings and may recommend one or more penalties to the appropriate disciplinary body or official.

When the Commission determines that a person has filed a complaint with knowledge that the complaint contains one or more false allegations or with reckless disregard for whether the complaint contains false allegations, the complainant will be liable for costs plus reasonable attorney's fees incurred by the person complained against. The Department of Legal Affairs may bring a civil action to recover such fees and costs, if they are not paid voluntarily within 30 days.

E. Dismissal of Complaints At Any Stage of Disposition

The Commission may, at its discretion, dismiss any complaint at any stage of disposition should it determine that the public interest would not be served by proceeding further, in which case the Commission will issue a public report stating with particularity its reasons for the dismissal. [Sec. 112.324(12), Fla. Stat.]

F. Statute of Limitations

All sworn complaints alleging a violation of the Sunshine Amendment or the Code of Ethics must be filed with the Commission within five years of the alleged violation or other breach of the public trust. Time starts to run on the day AFTER the violation or breach of public trust is committed. The statute of limitations

is tolled on the day a sworn complaint is filed with the Commission. If a complaint is filed and the statute of limitations has run, the complaint will be dismissed. [Sec. 112.3231, Fla. Stat.]

VIII. EXECUTIVE BRANCH LOBBYING

Any person who, for compensation and on behalf of another, lobbies an agency of the executive branch of state government with respect to a decision in the area of policy or procurement may be required to register as an executive branch lobbyist. Registration is required before lobbying an agency and is renewable annually. In addition, each lobbying firm must file a compensation report with the Commission for each calendar quarter during any portion of which one or more of the firm's lobbyists were registered to represent a principal. As noted above, no executive branch lobbyist or principal can make, directly or indirectly, and no executive branch agency official or employee who files FORM 1 or FORM 6 can knowingly accept, directly or indirectly, **any expenditure** made for the purpose of lobbying. [Sec. 112.3215, Fla. Stat.]

Paying an executive branch lobbyist a contingency fee based upon the outcome of any specific executive branch action, and receiving such a fee, is prohibited. A violation of this prohibition is a first degree misdemeanor, and the amount received is subject to forfeiture. This does not prohibit sales people from receiving a commission. [Sec. 112.3217, Fla. Stat.]

Executive branch departments, state universities, community colleges, and water management districts are prohibited from using public funds to retain an executive branch (or legislative branch) lobbyist, although these agencies may use full-time employees as lobbyists. [Sec. 11.062, Fla. Stat.]

Online registration and filing is available at www.floridalobbyist.gov. Additional information about the executive branch lobbyist registration system may be obtained by contacting the Lobbyist Registrar at the following address:

Executive Branch Lobbyist Registration
Room G-68, Claude Pepper Building
111 W. Madison Street
Tallahassee, FL 32399-1425
Phone: 850/922-4987

IX. WHISTLE-BLOWER'S ACT

In 1986, the Legislature enacted a "Whistle-blower's Act" to protect employees of agencies and government contractors from adverse personnel actions in retaliation for disclosing information in a sworn complaint alleging certain types of improper activities. Since then, the Legislature has revised this law to afford greater protection to these employees.

While this language is contained within the Code of Ethics, the Commission has no jurisdiction or authority to proceed against persons who violate this Act. Therefore, a person who has disclosed information alleging improper conduct governed by this law and who may suffer adverse consequences as a result should contact one or more of the following: the Office of the Chief Inspector General in the Executive Office of the Governor; the Department of Legal Affairs; the Florida Commission on Human Relations; or a private attorney. [Sec. 112.3187 - 112.31895, Fla. Stat.]

X. ADDITIONAL INFORMATION

As mentioned above, we suggest that you review the language used in each law for a more detailed understanding of Florida's ethics laws. The "Sunshine Amendment" is Article II, Section 8, of the Florida Constitution. The Code of Ethics for Public Officers and Employees is contained in Part III of Chapter 112, Florida Statutes.

Additional information about the Commission's functions and interpretations of these laws may be found in Chapter 34 of the Florida Administrative Code, where the Commission's rules are published, and in The Florida Administrative Law Reports, which until 2005 published many of the Commission's final orders. The Commission's rules, orders, and opinions also are available at www.ethics.state.fl.us.

If you are a public officer or employee concerned about your obligations under these laws, the staff of the Commission will be happy to respond to oral and written inquiries by providing information about the law, the Commission's interpretations of the law, and the Commission's procedures.

XI. TRAINING

Constitutional officers and elected municipal officers are required to receive a total of four hours training, per calendar year, in the area of ethics, public records, and open meetings. The Commission on Ethics does not track compliance or certify providers.

Visit the training page on the Commission's website for up-to-date rules, opinions, audio/video training, and opportunities for live training conducted by Commission staff. A comprehensive online training course addressing Florida's Code of Ethics, as well as Sunshine Law, and Public Records Act is available via a link on the Commission's homepage.

RESOLUTION 2020-2

A RESOLUTION OF THE BOARD OF SUPERVISORS OF TERN BAY COMMUNITY DEVELOPMENT DISTRICT APPROVING A PROPOSED BUDGET FOR FISCAL YEAR 2021 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICT AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the District Manager has heretofore prepared and submitted to the Board of Supervisors of Tern Bay Community Development District (the "Board") prior to June 15, 2020, a proposed Budget for Fiscal Year 2021; and

WHEREAS, the Board has considered the proposed Budget and desires to set the required public hearing thereon.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF TERN BAY COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. That the foregoing whereas clauses are true and correct and incorporated herein as if written into this Section.

SECTION 2. The proposed Budget submitted by the District Manager for Fiscal Year 2021 and attached hereto as **Exhibit A** is hereby approved as the basis for conducting a public hearing to adopt said budget.

SECTION 3. A public hearing on said approved budget is hereby declared and set for the following date, hour and location:

DATE:	Tuesday, June 9, 2020
HOUR:	10:00 A.M.
LOCATION:	Country Inn and Suites 24244 Corporate Court Port Charlotte, Florida 33954

With the State of Emergency in Florida, and pursuant to Executive Orders 20-52 and 20-69 issued by Governor DeSantis on March 9, 2020 and March 20, 2020 respectively, and pursuant to Section 120.54(5)9b)2., Florida, Statutes, this meeting will be held utilizing communication media technology due to the current COVID-19 public health emergency. Toward that end, anyone wishing to listen and participate in the meeting can do so by connecting to a link that will be posted on the District's web site www.ternbaycdd.org

SECTION 4. The District Manager is hereby directed to submit a copy of the proposed budget to Charlotte County at least 60 days prior to the hearing set above.

SECTION 5. Notice of this public hearing on the budget shall be published in a newspaper of general circulation in the area of the district once a week for two (2) consecutive weeks, except that the first publication shall not be fewer than 15 days prior to the date of the hearing. The notice shall further contain a designation of the day, time, and place of the public hearing. At the time and place designated in the notice, the Board shall hear all objections to the budget as proposed and may make such changes as the board deems necessary.

SECTION 6. If any one of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contract to the policy of express law, but not expressly

RESOLUTION 2020-2

A RESOLUTION OF THE BOARD OF SUPERVISORS OF TERN BAY COMMUNITY DEVELOPMENT DISTRICT APPROVING A PROPOSED BUDGET FOR FISCAL YEAR 2021 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICT AND PROVIDING FOR AN EFFECTIVE DATE.

prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way effect the validity of the other provisions hereof.

SECTION 7. That all Sections or parts of Sections of any Resolutions, Agreements or actions of the Board of Supervisor's in conflict are hereby repealed to the extent of such conflict.

SECTION 8. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED this 14th day of April, 2020

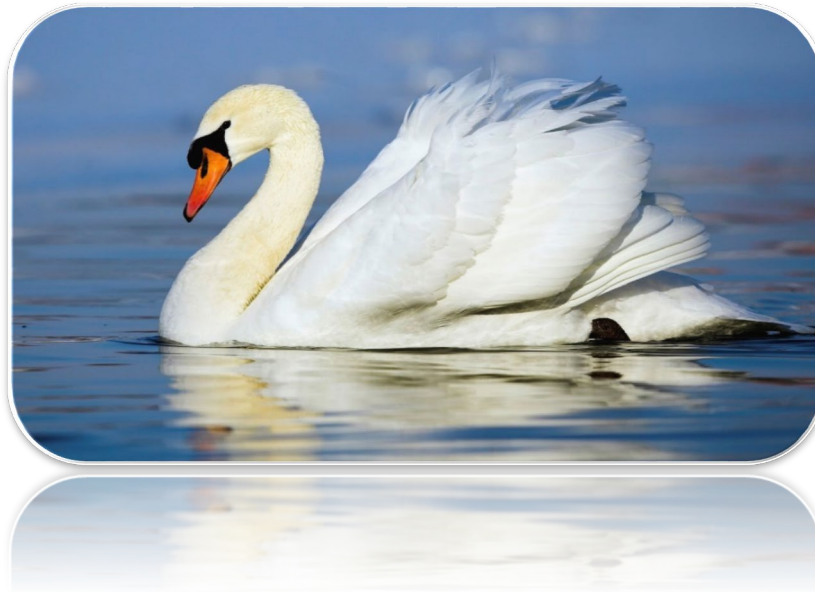
ATTEST:

**TERN BAY COMMUNITY DEVELOPMENT
DISTRICT**

James P. Ward, Secretary

Russell Smith, Chairperson

TERN BAY COMMUNITY DEVELOPMENT DISTRICT



PROPOSED BUDGET

FISCAL YEAR 2021

PREPARED BY:

JPWARD & ASSOCIATES, LLC, 2900 NORTHEAST 12TH TERRACE, SUITE 1, OAKLAND PARK, FL 33334

T: 954-658-4900 E: JimWard@JPWardAssociates.com

**Tern Bay
Community Development District
General Fund - Budget
Fiscal Year 2021**

Description	Fiscal Year 2020		Actual at		Anticipated	
	Adopted Budget		02/28/2020		Year End 09/30/20	
						Fiscal Year 2021 Budget
Revenues and Other Sources						
Carryforward	\$	-	\$	-	\$	-
Interest Income - General Account	\$	-	\$	-	\$	-
Special Assessment Revenue						
Special Assessment - On-Roll	\$	124,188	\$	135,516	\$	135,516
Special Assessment - Off-Roll	\$	-	\$	-	\$	-
Miscellaneous Revenue						
Miscellaneous Revenue	\$	-	\$	-	\$	-
Total Revenue & Other Sources	\$	124,188	\$	135,516	\$	135,516
Appropriations and Other Uses						
Legislative						
Board of Supervisor's Fees	\$	-	\$	-	\$	-
Executive						
Professional - Management	\$	34,500	\$	14,375	\$	34,500
Financial and Administrative						
Audit Services	\$	6,000	\$	5,350	\$	5,350
Accounting Services	\$	12,000	\$	5,000	\$	12,000
Assessment Roll Services	\$	9,000	\$	3,333	\$	9,000
Arbitrage Rebate Fees	\$	500	\$	500	\$	500
Financial & Administrative-Other	\$	-	\$	-	\$	-
Other Contractual Services						
Recording and Transcription	\$	-	\$	-	\$	-
Legal Advertising	\$	2,500	\$	-	\$	2,500
Trustee Services	\$	3,500	\$	-	\$	3,500
Dissemination Agent Services	\$	1,000	\$	2,000	\$	2,000
Bank Service Fees	\$	500	\$	124	\$	500
Travel and Per Diem						
Travel and Per Diem	\$	-	\$	-	\$	-
Communications and Freight Services						
Telephone	\$	-	\$	-	\$	-
Postage, Freight & Messenger	\$	400	\$	83	\$	400
Insurance						
Insurance	\$	8,900	\$	8,989	\$	8,989
Meeting Room Rental						
Meeting Room Rental	\$	400	\$	150	\$	400
Printing and Binding						
Printing and Binding	\$	500	\$	111	\$	500
Web Site Maintenance						
Web Site Maintenance	\$	2,000	\$	250	\$	2,000
Office Supplies						
Office Supplies	\$	-	\$	-	\$	-
Subscriptions and Memberships						
Subscriptions and Memberships	\$	175	\$	175	\$	175
Legal Services						
General Counsel	\$	4,000	\$	280	\$	1,200
Foreclosure Counsel	\$	-	\$	-	\$	-
Other General Government Services						
Engineering Services - General	\$	5,000	\$	-	\$	-
Engineering Services - Traffic	\$	-	\$	-	\$	-
NOPC Fees	\$	-	\$	-	\$	-
Other Public Safety						
Professional Services	\$	-	\$	-	\$	-
Charlotte Cty Sheriff's Patrol	\$	-	\$	-	\$	-
Guardhouse Operations	\$	-	\$	-	\$	-

Prepared by:

JPWARD and Associates, LLC

**Tern Bay
Community Development District
General Fund - Budget
Fiscal Year 2021**

Description	Fiscal Year 2020		Actual at		Anticipated	
	Adopted Budget		02/28/2020		Year End 09/30/20	
						Fiscal Year 2021 Budget
Professional - Roving Patrol	\$	-	\$	-	\$	\$ 57,300
Professional - Gate Attendent	\$	-	\$	-	\$	\$ 190,000
Utilities						
Electric	\$	-	\$	-	\$	\$ 2,400
Water & Wastewater	\$	-	\$	-	\$	\$ 2,400
Repairs & Maintenance						
Guardhouse - Janitorial	\$	-	\$	-	\$	\$ 4,200
Gate	\$	-	\$	-	\$	\$ 6,500
Wastewater Services						
Electric Service	\$	620	\$	791	\$	\$ 1,898
Stormwater Management Services						
Repairs & Maintenance						
Lake Banks/Outfall Control Structures	\$	-	\$	-	\$	\$ 5,000
Aquatic Weed Control						
Lake Spraying	\$	-	\$	-	\$	\$ 5,000
Lake Vegetation Removal	\$	-	\$	-	\$	\$ -
Upland Monitoring & Maint	\$	-	\$	-	\$	\$ 30,000
Other Physical Environment						
Professional Services						
Field Manager Services	\$	-	\$	-	\$	\$ 2,500
Insurance	\$	-	\$	-	\$	\$ -
Contingencies	\$	-	\$	-	\$	\$ -
Assessments - Charlotte County	\$	-	\$	38	\$	\$ 38
Road & Street Facilities						
Field Management Services						
Street Lights						
Electric Service	\$	12,000	\$	6,121	\$	\$ 12,000
Repairs & Maintenance	\$	-	\$	-	\$	\$ -
Economic Environment						
Professional Services - Appraisal	\$	-	\$	-	\$	\$ -
Landscaping Services						
Electric Service	\$	12,000	\$	8,341	\$	\$ 20,018
Repairs & Maintenance						
Common Area Maintenance						
Routine Maintenance	\$	-	\$	-	\$	\$ 119,200
Tree Trimming	\$	-	\$	-	\$	\$ 15,000
Sod Replacement	\$	-	\$	-	\$	\$ 3,000
Material Replacement	\$	-	\$	-	\$	\$ 12,000
Mulch Installation	\$	-	\$	-	\$	\$ 40,000
Landscape Lighting	\$	-	\$	-	\$	\$ -
Annuals	\$	-	\$	-	\$	\$ 21,000
Holiday Decorations	\$	-	\$	-	\$	\$ 16,000
Irrigation System						
Pumps, Wells & Line Distribution System						
Routine Maintenance	\$	-	\$	-	\$	\$ 16,000
Well Testing/Meter Reading	\$	-	\$	-	\$	\$ -
Line Distribution System						

Tern Bay
Community Development District
General Fund - Budget
Fiscal Year 2021

Description	Fiscal Year 2020	Actual at	Anticipated	Fiscal Year
	Adopted Budget	02/28/2020	Year End 09/30/20	2021 Budget
Routine Maintenance	\$ -	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ -	\$ 42,665
Other Fees and Charges				
Discounts and Tax Collector Fees	\$ 8,693	\$ -	\$ 8,693	\$ 57,554
Total Appropriations	\$ 124,188	\$ 56,011	\$ 126,161	\$ 822,194

Tern Bay
Community Development District
Debt Service Fund - Budget
Fiscal Year 2021

Description	Fiscal Year 2020 Adopted Budget	Actual at 02/28/2020	Anticipated Year End 09/30/20	Fiscal Year 2021 Budget
Revenues and Other Sources				
Carryforward				
Interest Income	\$ -	\$ -	\$ -	\$ -
Special Assessment Revenue				
Special Assessment - On-Roll	\$ 109,006	\$ 118,449	\$ 109,006	\$ 109,006
Special Assessment - Off-Roll	\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenue		\$ 551	\$ 1,321	\$ -
Total Revenue & Other Sources	\$ 109,006	\$ 119,000	\$ 110,327	\$ 109,006
Appropriations				
Debt Service				
Principal Debt Service - Mandatory				
Series 2005 A Bonds	\$ 35,000	\$ -	\$ 40,000	\$ 40,000
Principal Debt Service - Early Redemptions				
Series 2005 A Bonds	\$ -	\$ -	\$ -	\$ -
Interest Expense				
Series 2005 A Bonds	\$ 62,888	\$ 30,503	\$ 61,006	\$ 58,856
Other Fees and Charges				
Discounts and Other Fees	\$ 7,131	\$ -	\$ 7,131	\$ 7,131
Total Appropriations	\$ 105,019	\$ 30,503	\$ 108,137	\$ 105,988

**Tern Bay
Community Development District
Debt Service Schedule - Series 2005 A**

Description	Principal	Coupon Rate	Interest	Annual Debt Service
Par Debt Outstanding (After Lennar Purchase)	\$ 1,170,000	5.375%		
11/1/2018			\$ 31,443.75	
5/1/2019	\$ 35,000	5.375%	\$ 31,443.75	\$ 97,888
11/1/2019			\$ 30,503.13	
5/1/2020	\$ 40,000	5.375%	\$ 30,503.13	\$ 101,006
11/1/2020			\$ 29,428.13	
5/1/2021	\$ 40,000	5.375%	\$ 29,428.13	\$ 98,856
11/1/2021			\$ 28,353.13	
5/1/2022	\$ 45,000	5.375%	\$ 28,353.13	\$ 101,706
11/1/2022			\$ 27,143.75	
5/1/2023	\$ 45,000	5.375%	\$ 27,143.75	\$ 99,288
11/1/2023			\$ 25,934.38	
5/1/2024	\$ 50,000	5.375%	\$ 25,934.38	\$ 101,869
11/1/2024			\$ 24,590.63	
5/1/2025	\$ 50,000	5.375%	\$ 24,590.63	\$ 99,181
11/1/2025			\$ 23,246.88	
5/1/2026	\$ 55,000	5.375%	\$ 23,246.88	\$ 101,494
11/1/2026			\$ 21,768.75	
5/1/2027	\$ 55,000	5.375%	\$ 21,768.75	\$ 98,538
11/1/2027			\$ 20,290.63	
5/1/2028	\$ 60,000	5.375%	\$ 20,290.63	\$ 100,581
11/1/2028			\$ 18,678.13	
5/1/2029	\$ 60,000	5.375%	\$ 18,678.13	\$ 97,356
11/1/2029			\$ 17,065.63	
5/1/2030	\$ 65,000	5.375%	\$ 17,065.63	\$ 99,131
11/1/2030			\$ 15,318.75	
5/1/2031	\$ 70,000	5.375%	\$ 15,318.75	\$ 100,638
11/1/2031			\$ 13,437.50	
5/1/2032	\$ 75,000	5.375%	\$ 13,437.50	\$ 101,875
11/1/2032			\$ 11,421.88	
5/1/2033	\$ 75,000	5.375%	\$ 11,421.88	\$ 97,844
11/1/2033			\$ 9,406.25	
5/1/2034	\$ 80,000	5.375%	\$ 9,406.25	\$ 98,813
11/1/2034			\$ 7,256.25	
5/1/2035	\$ 85,000	5.375%	\$ 7,256.25	\$ 99,513
11/1/2035			\$ 4,971.88	
5/1/2036	\$ 90,000	5.375%	\$ 4,971.88	\$ 99,944
11/1/2036			\$ 2,553.13	
5/1/2037	\$ 95,000	5.375%	\$ 2,553.13	\$ 100,106
Total:	\$ 1,170,000		\$ 725,625	\$ 1,895,625

RESOLUTION NO. 2020-3

A RESOLUTION OF THE BOARD OF SUPERVISORS OF TERN BAY COMMUNITY DEVELOPMENT DISTRICT DECLARING SPECIAL ASSESSMENTS; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THOSE IMPROVEMENTS WHICH COST IS TO BE DEFRAID IN WHOLE OR IN PART BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED COST OF THE IMPROVEMENTS TO BE DEFRAID IN WHOLE OR IN PART BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE MADE; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; ADOPTING A PRELIMINARY ASSESSMENT ROLL; PROVIDING FOR A PUBLIC HEARING TO CONSIDER THE ADVISABILITY AND PROPRIETY OF SAID ASSESSMENTS AND THE RELATED IMPROVEMENTS; PROVIDING FOR NOTICE OF SAID PUBLIC HEARING; PROVIDING FOR PUBLICATION OF THIS RESOLUTION; PROVIDING FOR CONFLICTS, PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Tern Bay Community Development District (the "District") is a local unit of special-purpose government organized and existing under and pursuant to Chapter 190, Florida Statutes (the "Act"); and

WHEREAS, the District is authorized by Chapter 190, Florida Statutes, to finance, fund, plan, establish, acquire, install, equip, operate, extend, construct, or reconstruct roadways, sewer and water distribution systems, stormwater management/earthwork improvements, landscape, irrigation and entry features, conservation and mitigation, street lighting and other infrastructure projects, and services necessitated by the development of, and serving lands within, the District; and

WHEREAS, the Board of Supervisors of the District (the "Board") hereby determines to undertake, install, plan, establish, construct, reconstruct, enlarge or extend, equip, acquire, operate and/or maintain certain public improvements (the "Improvements") described in that certain Engineer's Report for the Tern Bay Community Development District prepared by Banks Engineering, Inc. and dated April, 2020 ("Engineer's Report"), a copy of which is attached hereto and made a part hereof as Exhibit "A" and maintained on file at the offices of Barraco and Associates, Inc., 10511 Six Mile Cypress Parkway, Suite 101, Fort Myers, Florida 33966 ("District Engineer's Office") and the offices of the District Manager at JPWard & Associates LLC, 2900 Northeast 12th Terrace, Suite 1, Oakland Park, Florida 33334 ("District Manager's Office"); and

WHEREAS, the Board finds that it is in the best interest of the District to pay all or a portion of the cost of the Improvements by imposing, levying, and collecting special assessments pursuant to Chapters 170, 190 and 197, Florida Statutes (the "Assessments"); and

WHEREAS, the District is empowered by the Act, Chapter 170, Supplemental and Alternative Method of Making Local Municipal Improvements, and Chapter 197, Florida Statutes, to finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate, and maintain the Improvements and to impose, levy, and collect the Assessments; and

WHEREAS, the District hereby determines that special benefits will accrue to the property benefited by the Improvements, the amount of those benefits, and that the Assessments will be made in proportion to the benefits received as set forth in that certain Tern Bay Community Development District Master Special Assessment Methodology Report prepared by JPWard & Associates, LLC dated April 7, 2020 (the "Assessment Report"), a copy of which is attached hereto and made a part hereof as Exhibit "B" and maintained on file at the District Manager's Office; and

WHEREAS, the District hereby determines that the Assessments to be levied will not exceed the benefits to the property benefited by the Improvements.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF TERN BAY COMMUNITY DEVELOPMENT DISTRICT THAT:

Section 1. Recitals. The foregoing recitals are hereby incorporated as the findings of the Board.

Section 2. Declaration of Assessments. The Board declares that has determined to undertake the Improvements and Assessments shall be levied to defray all or a portion of the cost of the Improvements.

Section 3. Designating the Nature and Location of Improvements. The nature and general location of, and plans and specifications for, the Improvements are described in the Engineer’s Report and maintained on file at the District Manager’s Office.

Section 4. Declaring the Total Estimated Cost of the Improvements. The total estimated cost of the Improvements is \$29,149,331.62 (the “Estimated Cost”).

Section 5. Declaring the Portion of the Estimated Costs of the Improvements to be Paid by Assessments. The Assessments will defray approximately \$34,470,000.00, which is the anticipated maximum par value of any bonds and which includes a portion of the Estimated Cost, as well as other financing-related costs, as set forth in the Assessment Report, and which is in addition to interest and collection costs

Section 6. Declaring the Manner in Which Assessments are to be Paid. The manner in which the Assessments shall be apportioned and paid is set forth in the Assessment Report attached hereto and made a part hereof as Exhibit “B”, as may be modified by supplemental assessment resolutions. The Assessment Report is also available at the District Manager’s Office.

Section 7. Designating The Lands Upon Which The Special Assessments Shall Be Levied. The Assessments shall be levied on certain lots and lands within the District as described in the Assessment Report and, and as further designated by the assessment plat hereinafter provided for.

Section 8. Assessment Plat. Pursuant to Section 170.04, Florida Statutes, there is on file at the District Manager’s Office, a preliminary assessment plat showing the area to be assessed, with the plans and specifications describing the Improvements and the Estimated Cost, all of which shall be open to inspection by the public.

Section 9. Preliminary Assessment Roll. Pursuant to Section 170.06, Florida Statutes, the District Manager has caused to be made a preliminary assessment roll in accordance with the method of levying the Assessments described, which is attached as Exhibit “A” of the Assessment Report and which shows the lots and lands to be assessed, the amount of benefit to and the Assessments against each lot or parcel of land and the number of annual installments into which such Assessment may be divided. The assessment roll is hereby adopted and approved as the District’s preliminary assessment roll.

Section 10. Payment of Assessments. Commencing with the year in which the Assessments are certified for collection and subsequent to any capitalized interest period, the Assessments shall be paid in not more than (30) thirty yearly installments (not counting any capitalized interest period), which installments shall include principal and interest as calculated in accordance with the Assessment Report. The Assessments shall be payable at the same time and in the same manner as are ad-valorem taxes and as prescribed in Chapter 197, Florida Statutes; provided, however, that in the event the uniform non ad-valorem assessment method of collecting the Assessments is not available to the District in any year, or the District otherwise determines not to utilize the provisions of Chapter 197, Florida Statutes, the Assessments may be collected as is otherwise permitted by law including, but not limited to, by direct bill. The decision to collect the Assessments by any particular method – e.g., on the tax roll or by direct

bill – does not mean that such method will be used to collect special assessments in future years, and the District reserves the right in its sole discretion to select collection methods in any given year, regardless of past practices.

Section 11. Resolution to Fix Public Hearing. The Board shall adopt a subsequent resolution to fix a time and place at which the owners of property to be assessed or any other persons interested therein may appear before the Board and be heard as to the propriety and advisability of the Assessments and the making of the Improvements, the cost thereof, the manner of payment therefore, or the amount thereof to be assessed against each property as improved; and to authorize such notice and publications of same as may be required by Chapter 170, Florida Statutes, or other applicable law.

Section 12. Publication of Resolution. The District Manager is hereby directed to cause this resolution to be published twice (once a week for two (2) weeks) in a newspaper of general circulation within Lee County and to provide mailed notices to the owners of the property subject to the proposed Assessments and such other notice as may be required by law or deemed in the best interest of the District.

Section 13. Severability. If any one of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contract to the policy of express law, but not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way effect the validity of the other provisions hereof.

Section 14. Conflicts. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, superseded and repealed.

Section 15. Effective Date. This Resolution shall become effective upon its adoption.

PASSED AND ADOPTED this 14th day of April, 2020.

TERN BAY COMMUNITY DEVELOPMENT DISTRICT

ATTEST:

James P. Ward, Secretary

Russell Smith, Chairman

Exhibits:

Exhibit "A": Engineer's Report for the Tern Bay Community Development District prepared by Banks Engineering, Inc. and dated April, 2020

Exhibit "B": Tern Bay Community Development District Master Special Assessment Methodology Report prepared by JPWard & Associates, LLC dated April 7, 2020

*TERN BAY
COMMUNITY DEVELOPMENT DISTRICT*

Master Special Assessment Methodology

Prepared by:

4/7/2020

JPWard & Associates LLC

JAMES P. WARD

954.658.4900

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2900 NORTHEAST 12TH TERRACE SUITE 1
OAKLAND PARK,
FLORIDA 33305

1.0 INTRODUCTION

The District was created and chartered by law and established on the property by the Florida Land and Water Adjudicatory Commission (herein “FLWAC), Chapter 42VV-1, effective September 15, 2004. The District encompasses a total of approximately 1,778.78 acres +/- . FLWAC consist of the Administration Commission (Governor and members of the Cabinet. The Commission was created pursuant to section 380.07, Florida Statutes, and is charged with implementing numerous statutory responsibilities, including the establishment of a District, that exceeds 1,000 acres in size.

The District manages the provision of infrastructure to the community known as Heritage Landings.

The District’s single and special purpose is to manage the construction, acquisition, maintenance and financing of its public works including basic infrastructure, system, facilities, services and improvement.

When the community was initially developed, a variety of infrastructure was provided by the District, including but not limited to: surface water management system, utilities, roadway improvements, exterior landscaping, off-site improvements and mitigation and which was based on a development plan that has been deemed economically infeasible for development.

On September 15, 2005 the District issued \$57,940,000 in Series A and B bonds (the “Series 2005 Bonds”). The District subsequently defaulted on the Series 2005 Bonds, after exhausting the capitalized interest with the payment of the interest due on November 1, 2007, and the non-payment of the debt service on May 1, 2008. In July 2018 Lennar Homes purchased the foreclosed properties, and the bondholder’s released the lien on those foreclosed properties, pursuant to a purchase and sale agreement.

With the bondholder’s release of the lien on the foreclosed properties, their remained certain property within the District that were not subject to the foreclosure, those properties will not be subject to this Methodology nor the Engineering Report, prepared by Banks Engineering. Exhibit 1 identify the properties that are subject to the Series 2005 Bonds.

With the acquisition of the foreclosed property, the development plan has been completely updated and the current assessment methodology remains intact only for certain properties, as shown in Exhibit 1. However, the development plan as originally contemplated in 2005 is no longer applicable to the revised development plan, as such, the District desires to introduce a revised assessment methodology that accounts for that change in the development plan.

This report will identify the three special and peculiar benefits for the works and services including added use of the property, added enjoyment of the property, and probability of increased marketability, value of the property and decreased insurance premiums will be evaluated for each of the revised residential and commercial product types to insure that the new assessments are fair, just and reasonable for all property within the District.

This Assessment Report is intended to stand alone as the initial allocation report for the District's special assessments and is not an amendment, supplement, or restatement of any assessment methodologies considered and/or adopted by the District. This report is being presented in anticipation of financing a capital infrastructure project the District.

This CIP will allow for the development of the property within the District and will be partially or fully funded through the issuance of District bonds. The debt will be repaid from the proceeds of assessments levied by the District's Board of Supervisors on properties within the District that benefit from the implementation of the CIP. These non-ad valorem special assessments will be liens against properties within the boundary of the District that receive special benefits from the CIP.

With that said, the District's limited purpose is to manage the construction, acquisition, maintenance and financing of its public works including basic infrastructure, system, facilities, services and improvement.¹

This assessment methodology report will identify the special and peculiar benefits for the works and services including added use of the property, added enjoyment of the property, and probability of increased marketability, value of the property and decreased insurance premiums

¹ See Florida Statutes sections 190.002(1)(a) and (c) and (3); Florida Statutes section 190.003(6); Florida Statutes section 190.012; and *State v. Frontier Acres Com. Develop.*, 472 So 2d 455 (Fla. 1985) in which the Florida Supreme Court opines about the "limited grant of statutory powers under chapter 190 [and] the narrow purpose of such districts" as "special purpose governmental units," where the narrow purpose is in the singular as applied to their powers in the plural. *Frontier Acres Com. Develop.*, at 456. The Supreme Court also references section 190.002, Florida Statutes, to "evidence the narrow objective" in providing community infrastructure in section 190.002(1)(a), Florida Statutes, opining that the "powers" of such districts "implement the single, narrow legislative purpose." *Id.* at 457.

will be evaluated for each of the residential product types in order to ensure that the new assessments are fair, just and reasonable for all property.

2.0 THE DISTRICT AND BOND STRUCTURE

As noted above, the Tern Bay Community Development District, (the “**District**”) is a special purpose unit of local government established pursuant to Chapter 190, Florida Statutes, and by Florida Land and Water Adjudicatory Commission (herein “FLWAC), Chapter 42VV-1, effective September 15, 2004. The District encompasses approximately 1,778.78 +/- acres of land.

Subsequent to the acquisition of the property by Lennar Homes LLC, (the “Residential Developer”), the Development Order was amended, providing for the development to be known as the Heritage Landing DRI, a mixed-use project with a maximum of 1,810 residential dwelling units, 20,000 gross square feet of office space, 111,500 gross square feet of retail space, a 150 room hotel, 865 acres of wetland preservation areas, a minimum of 205 acres of upland preservation areas and buffer areas subject to further additions, a project total of 295.0 acres of impervious surfaces leaving a project total of 1,483 acres of open space (all natural pervious and all vegetated pervious surfaces), and a sales and Community Development District (CDD) administration center and other amenities on 1,778 acres located in Southern Charlotte County between Burnt Store Road and Charlotte Harbor approximately three miles north of the Lee County line. The site may contain two nine hole golf courses on 215 acres, a maximum 20,000 gross square foot golf clubhouse with restaurants, a maximum 7,500 gross square foot building(s) for a tennis clubhouse, fitness center and spa, up to ten (1) tennis or pickleball courts, swimming pools, bike and walk trails, a small fishing pier, canoe launch and docks, lookout tower, approved governmental uses and a cell tower.

The Master Lot Matrix table below represents the anticipated product mix by the Residential Developer for the lands within the District, as of the date of this report, and is subject to change as development commences and the final site plan is further refined by the Residential Developer.

In order to provide for the Capital Improvement Project (the “CIP”) funding as fully described in this Special Assessment Report and shown on Table II, the District will issue bonds in one (1) or more series of bonds in the aggregate principal amount of \$33,170,000.00 The Bonds will be structured as amortizing current-interest bonds, with repayment occurring in thirty (30) substantially equal annual installments of principal and interest. Interest Payment dates shall occur every May 1 and November 1 from the date of issuance until final maturity. The general terms of the Series 2020 Bonds are fully summarized in the Table III.

Master Lot Matrix – Lots Subject To This Methodology

PRODUCT TYPE	UNIT COUNT	PERCENT OF TOTAL
EXECUTIVE HOMES (40' -50')	232	16.03%
MANOR HOMES (51' – 60')	199	13.75%
ESTATE HOMES (61' – 70')	102	7.05%
COACH HOMES	156	10.78%
MULTI-FAMILY (6 Unit Plex)	108	7.46%
VERANDA (12 Unit Plex)	320	22.11%
TERRACE (30 Unit Plex)	330	22.81%
TOTAL	1447	100.0%

3.0 PURPOSE OF THIS REPORT

This Special Assessment Report and the Methodology described herein have been developed to provide a roadmap, and the report lays out in detail each step for use by the Board of Supervisors of the District (the “**Board**”) for the imposition and levy of non-ad valorem special assessments. The District’s CIP (hereinafter defined) will allow for the development of property within the District and will be partially or fully funded through the issuance by the District of tax-exempt bonds (the “**Bonds**”) to be repaid from the proceeds of non-ad valorem special assessments (the “**Assessments**”) levied by the Board on properties within the District that benefit from the implementation of the CIP. The Assessments will be liens against properties that receive special benefits from the CIP.

The Methodology described herein has two goals: (1) determining the special and peculiar benefits that flow to the properties in the District as a logical connection from the infrastructure systems and facilities constituting enhanced use and increased enjoyment of the property; and (2) apportion the special benefits on a basis that is fair and reasonable. As noted above, the District has adopted CIP comprising certain public infrastructure and facilities. The District plans to fund the CIP, all or in part, through the issuance of Bonds in phases which are intended to tie into the development phasing for the community. The Methodology herein is intended to set forth a framework to apportion the special and peculiar benefits from the portions of the CIP financed with the proceeds of the Bonds payable from and secured by the Assessments imposed and levied on the properties in the District. The report is designed to conform to the requirements of the Constitution, Chapters 170, 190 and 197 F.S. with respect to the Assessments and is consistent with our understanding of the case law on this subject. Once levied by the Board, the

Assessments will constitute liens co-equal with the liens of State, County, municipal and school board taxes, against properties within the District that receive special benefits from the CIP

4.0 MASTER DEVELOPMENT PROGRAM

4.1 Land Use Plan

The anticipated Land Use Plan for the District is identified in Table I and constitutes the expected number of residential units to be constructed by type of unit by the Developer. As with any Land Use Plan, this may change during development, however, the District anticipates this in the Methodology, by utilizing the concept that the assessments are levied on a per acre basis initially for all undeveloped lands, and as land is platted, the District assigns debt to the platted unit, based on the type of unit noted in the Land Use Plan noted herein.

4.2 Capital Requirements

Banks Engineering (the “**District Engineer**”) has identified certain public infrastructure and services that are being provided by the District for the entire development and has provided a cost estimate for these improvements, as described in the Engineer’s Report. The cost estimate for the District’s CIP can be found below in Table II. It is estimated the cost of the District CIP will be approximately \$28,039,980.88 and will be constructed in one or more phases without taking into consideration the various costs of financing the improvements.

5.0 BOND REQUIRMENTS

The District intends to finance some or all its CIP through the issuance of the Bonds. As shown in Table III, it is estimated that the District may issue not exceeding an aggregate principal amount of \$33,170,000.00 in Bonds to fund the implementation of the CIP, assuming all the CIP is financed. A number of items comprise the estimated bond size required to fund the \$33,170,000.00 necessary to complete the District’s CIP. These items may include, but are not limited to, a period of capitalized interest, a debt service reserve, an underwriter’s discount, issuance costs, and rounding, also noted in Table III.

As the finance plan is implemented a supplemental methodology will be issued for each phase of development, that mirrors the master methodology, and the final source and use of funds will be determined at the time of issuance of the Bonds and is dependent on a variety of factors, most importantly, the interest rate that the District is able to secure on the Bonds, along with such items as the capitalized interest period, reserve requirement and costs of issuance. Stated another way, this master assessment allocation methodology described herein is intended to establish, without the need for a further public hearing, the necessary benefit and fair and reasonable allocation findings for a master assessment lien, which may give rise to one or more

individual assessment liens relating to individual bond issuances necessary to fund all or a portion of the project(s) referenced herein. All such liens shall be within the benefit limits established herein and using the allocation methodology described herein and shall be described in one or more supplemental reports.

As set forth in any supplemental report, and for any particular bond issuance, the project developer may opt to “buy down” the assessments on particular product types and/or lands using a contribution of cash, infrastructure or other consideration, and in order for assessments to reach certain target levels. Note that any debt reduction payment or “true-up,” as described herein, may require a payment to satisfy the “true-up” obligations as well as additional contributions to maintain such target assessment levels. Any amounts contributed by the developer to pay down assessments will not be eligible for “deferred costs,” if any are provided for in connection with any particular bond issuance.

6.0 ASSIGNMENT OF ASSESSMENTS

It is useful to consider three broad states or conditions of development. The initial condition is the “unplatted state”. At this point infrastructure may or may not be constructed, but in general, home sites or other development units have not been defined and all of the developable land within the applicable special assessment area (as may be defined in a supplemental assessment resolution) is considered unplatted acreage (“Unplatted Acres”). In the unplatted state, all of the lands within the applicable special assessment area receive benefit from all or a portion of the components of the financed CIP and assessments would be imposed upon all of the land within the special assessment area on an equal acre basis to repay the Bonds in amount not in excess of the benefit accruing to such parcels.

The second condition is the interim or “approved state”. At this point, a developer would have received approval for a site development plan from the County primarily for the building of a particular type of multi-family product. By virtue of the County granting an approval for its site development plan for a neighborhood, certain development rights are committed to and peculiar to that neighborhood, thereby changing the character and value of the land by enhancing the capacity of the Unplatted Acres within a neighborhood with the special and peculiar benefits flowing from components of the CIP and establishing the requisite logical connection for the flow of the special benefits peculiar to the property, while also incurring at the same time a corresponding increase in the responsibility for the payment of the levied debt assessment to amortize the portion of the debt associated with those improvements. However, this increased state of development does not fully allocate the units to be constructed within this state until a declaration of condominium is recorded, and the District knows exactly the type and number of units that will be constructed on the site. Therefore, the approved stated becomes final once the declaration of condominium is filed.

Therefore, once the land achieves this approved state, the District will designate such area, or in combination with other such areas, as an assessment area, and, allocate a portion of this debt to such assessment area in the “approved state”.

This apportionment of benefit is based on accepted practices for the fair and equitable apportionment of special and peculiar benefits in accordance with applicable laws and the procedure for the imposition, levy and collection of non-ad valorem special assessments in conformity with State laws applicable to such assessments.

Development enters its third and “Platted State”, as property is platted. Land becomes platted property (the “Platted Property”) which single-family units are platted, or multifamily land uses receive a building permit and a separate tax parcel identification number is issued for such parcel. At this point, and only at this point, is the use and enjoyment of the property fixed and determinable and it is only at this point that the ultimate special and peculiar benefit can be determined flowing from the components of the CIP peculiar to such platted parcel. At this point, a specific apportionment of the debt assessments will be fixed and determinable from the supplemental assessment report to be prepared once the final pricing details of the bonds are known.

When the development program contains a mix of residential land uses, an accepted method of allocating the costs of public infrastructure improvements to benefiting properties is through the establishment of a system that “equates” the benefit received by each property to the benefit received by a single-family unit to other unit types. To implement this technique for CIP cost allocation purposes, a base unit type must be set.

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

A. Benefit Analysis

It is anticipated that the CIP will function as a system of improvements and provide special benefit to all lands within the District. Stated differently, this infrastructure project is a program of improvements and was designed specifically to facilitate the development of the lands within the District, from both a legal and socio-economic standpoint. Therefore, special benefits will accrue to the land uses within the District.

Also, two private amenity facilities are planned as part of the CIP. However, a debt assessment is not appropriate in connection with the development of the amenities because the amenities will be owned and operated by a homeowner's association and are considered a common element for the exclusive benefit of lot owners. Stated differently, any benefit for these facilities flows directly to the benefit of all the Platted Lots in the District. As such, no assessment would be assigned to these amenities.

B. Allocation/Assignment Methodology

The Assessments assignable to Platted Lots and Unplatted Acres in Table IV. This table provides the maximum assessments for the entire District. As noted earlier in this report, to the extent there are Unplatted Acres, the initial assessment on those parcels will be on an equal assessment per acre basis. When the Unplatted Acres are platted into Platted Units, Assessments will be assigned on a first-assigned, first-platted basis, as set forth in more detail in the supplemental special assessment methodolog(ies) applicable to series of Bonds. Note that while the CIP functions as a system of improvements benefitting all lands within the District, debt assessments associated with different bond issuances may differ in amount, due to changes in construction costs, financing costs, or other matters

7.0 Prepayment of Assessments

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

8.0 Overview of the Inventory Adjustment Determination

This Methodology is based on the development plan that is currently proposed by the Developer. As with all projects of this size and magnitude, as development occurs there may be changes to various parts of the proposed project mix, the number of units, the types of units, etc. The inventory adjustment determination mechanism is intended to ensure that all the debt assessments are levied only on developable properties, such that by the end of the development period there will be no remaining debt assessments on any undevelopable property.

First, as property is taken from an undeveloped (raw land) state and readied for development, the property is platted or alternatively specific site plans are developed and processed through the County Property Appraiser, who assigns distinct parcel identification numbers for land that is ready to be built upon. Or in the case of property where a condominium is being developed the land is platted as a large tract of land, and ultimately as the developer files the declaration of condominium, the County Property Appraiser will assign distinct parcel identifications to each condominium unit that will be constructed on the property.

When either of these events occur, the District must allocate the appropriate portion of its debt to the newly established and distinct parcel identification numbers. The inventory adjustment determination allows for the District to take the debt on these large tracts of land and assign the correct allocation of debt to these newly created units. This mechanism is done to ensure that the principal assessment for each type of property constructed never exceeds the initially allocated assessment contained in this report.

This is done periodically as determined by the District Manager or their authorized representative and is intended to ensure that the remaining number of units to be constructed can be constructed on the remaining developable land. If at any time, the remaining units are insufficient to absorb the remaining development plan, the applicable landowner will be required to make a density reduction payment, such that the debt remaining after the density reduction payment does not exceed principal assessment for each type of property is exceeded in the initially allocated assessment contained in this report.

The specific process for handling inventory adjustments is set forth in more detail in the District's assessment resolution adopting this report, as well as a true-up agreement entered between the Developer and the District. Further, please note that, in the event that the District's capital improvement plan is not completed, required contributions are not made, or under certain other circumstances, the District may be required to reallocate the special assessments.

9.0 Preliminary Assessment Roll

Table V provides the current folio numbers derived from the Lee County Tax Rolls and matches those folio numbers with the anticipated product on each folio numbers.

**Tern Bay Community Development District
Land Use Type - Master Development
Table I**

Description	New Development Remaining									Units - Existing Debt	Total - ALL Units
	Single Family				Coach		Mult- Family				
	30' - 39'	50' - 59'	60' -69'	70' -80'	30'-39'	Six Plex	12 Plex	30 Plex	Total - NEW		
Executive Homes (40' - 50')		232							232		232
Manor Homes (51' - 60')			199						199	32	231
Estate (61' - 70')				102					102		102
Coach Homes					156				156	20	176
Multi-Family - (Six Plex)						108			108		108
Veranda (12 Unit Plex)							320		320		320
Terrace (30 Unit Plex)								330	330		330
Commercial										17	17
Total	0	232	199	102	156	108	320	330	1447	69	1516

**Tern Bay Community Development District
Capital Improvement Program Cost Estimate - Master Development
Table II**

No.	Facility	Districts Capital Improvement Plan	
		Project - Completed Improvements	Future Improvements
1	Exterior Landscaping & Hardscape	\$ -	\$ 579,000.00
2	Subdivision Potable Water/Wastewater System	\$ -	\$ 8,424,450.00
3	Irrigation Facilities	\$ -	\$ 2,142,300.00
4	Storm Water Facilities ⁽¹⁾⁽²⁾⁽³⁾	\$ -	\$ 4,632,000.00
5	Gound Improvement	\$ -	
6	Excavation	\$ -	
7	Environmental Preservation & Mitigation	\$ -	\$ 965,000.00
8	Off-Site Improvements (in Public Roadway)	\$ -	
10	Public Roadway		\$ 5,790,000.00
11	Public Roadway - Land Acquitition		\$ 2,168,885.75
12	Private Streets	\$ -	\$ -
13	Amenities	\$ -	\$ -
14	Electrical	\$ -	
15	Miscellaneous Structures	\$ -	
16	Municipal Fees & Permits	\$ -	
Subtotal (Improvements Benefiting All Units)		\$ -	\$ 24,701,635.75
17	Contingency (10%) (excluded Land Acquisition Costs)	\$ -	\$ 2,276,845.13
18	Professional Fees	\$ -	\$ 1,061,500.00
Total Improvements (see Note 5)		\$ -	\$ 28,039,980.88

The cost estimates set forth herein are estimates based on current plans and market conditions, which are subject to change. Accordingly, the 'CIP Project' as used herein refers to sufficient public infrastructure of the kinds described herein (i.e., stormwater/floodplain management, sanitary sewer, potable water, etc.) to support the development and sale of the planned residential units, which (subject to true-up determinations) number and type of units may be changed with the development of Heritage Landing."

Notes:

- (1) Public Stormwater/Floodplain mgmt includes storm sewer pipes, inlets, catch basins, control structures, headwalls
- (2) Developer Funded Stormwater/Floodplain mgmt includes lake excavations, lot pad grading, road grading.
- (3) Includes Lake Excavation to a 10' minimum depth required by the South Florida Water Management District
- (4) The portions of the Master Project financed by the 2020 Bonds will be detailed in a supplement to this report prepared prior to the issuance of the 2020 Bonds.
- (5) Pursuant to the Bank's Engineering Report, Dated April, 2020 the a portion of the total cost of the infrastructe is allocable to the property identified in Exhibit 1 which property is subject to the Series 2005 Bond, and represents those costs that will not be subect to the assessments for the Master Assessment Report nor any future series of Bonds. This proportional cost is the tatio of the assessed units divided by the benefited units (all units within the Developmet, less the commercial units, equals 1449 units). This ratio is 1447-1499, or 96.53% is the portion of the Project cost that will be assessed to the 1447 units.

**Tern Bay Community Development District
Special Assessment Bonds
ESTIMATED - Source and Use of Funds - Master CIP**

Table III	
Sources:	
Bond Proceeds	
Par Amount	\$ 33,170,000.00
	\$ 33,170,000.00
Uses:	
Project Funds Deposit	
Const of Construction	\$ 28,039,980.88
Rounding Proceeds	\$ 2,094.26
	\$ 28,042,075.13
Other Funds Deposits:	
Capitalized Interest (One Year)	\$2,127,262.43
Debt Service Reserve at 100% of MADS	\$2,127,262.43
	\$4,254,524.87
Delivery Date Expenses	
Cost of Issuance	\$ 210,000.00
Underwriter's Discount	\$ 663,400.00
	\$ 873,400.00
	\$ 33,170,000.00
Average Coupon:	5.00%
Capitalized Interest	One (1) year
ESTIMATED - Max Annual Debt Service	\$2,127,262.43

**Esplanade Lake Club Community Development District
Assessment Allocation - Entire Project
Table IV**

Description of Product	EAU Factor	Development Plan	Total EAU	Total Par Debt Allocation	Toal Par Debt Allocation Per Unit	Estimated Annual Debt Service (1)	Estimated Discounts and Collections (2)	Estimated Total Annual Debt Service Per Unit	Estimated Total Annual Debt Service (1)	Total Annual Debt Service (4)
Executive Homes (40' - 50')	1.1	232	255.2	\$ 6,429,427.31	\$ 27,713.05	\$1,777.30	\$124.41	\$1,901.71	\$412,332.81	\$441,196.10
Manor Homes (51' - 60')	1.2	199	238.8	\$ 6,016,250.95	\$ 30,232.42	\$1,938.87	\$135.72	\$2,074.59	\$385,834.93	\$412,843.38
Estate (61' - 70')	1.3	102	132.6	\$ 3,340,682.06	\$ 32,751.78	\$2,100.44	\$147.03	\$2,247.47	\$214,245.02	\$229,242.18
Coach Homes	0.85	156	132.6	\$ 3,340,682.06	\$ 21,414.63	\$1,373.37	\$96.14	\$1,469.50	\$214,245.02	\$229,242.18
Multi-Family - (Six Plex)	0.8	108	86.4	\$ 2,176,734.01	\$ 20,154.94	\$1,292.58	\$90.48	\$1,383.06	\$139,598.57	\$149,370.47
Veranda (12 Unit Plex)	0.75	320	240	\$ 6,046,483.37	\$ 18,895.26	\$1,211.79	\$84.83	\$1,296.62	\$387,773.80	\$414,917.96
Terrace (30 Unit Plex)	0.7	330	231	\$ 5,819,740.24	\$ 17,635.58	\$1,131.01	\$79.17	\$1,210.18	\$373,232.28	\$399,358.54
Commercial	N/A	0	0	\$ -	\$ -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Units:		1447	1316.6	\$ 33,170,000.00					\$2,127,262.43	\$2,276,170.80
Estimated Max Annual Debt Service:									\$2,127,262.43	
Rounding:									\$0.00	

(1) Excludes Discounts/Collection Costs

(2) Estimated at 4% for Discounts and 3% for Collection Costs by County

ENGINEER'S REPORT
FOR THE
TERN BAY
COMMUNITY DEVELOPMENT DISTRICT

PREPARED FOR:

BOARD OF SUPERVISORS
TERN BAY
COMMUNITY DEVELOPMENT DISTRICT

ENGINEERS:

BANKS ENGINEERING
10511 SIX MILE CYPRESS PKWY, SUITE 101
FORT MYERS, FLORIDA 33966

APRIL 2020

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APPENDIX

EXHIBIT "1"	DISTRICT BOUNDARY/ LOCATION MAP
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EXHIBIT "9"	STORMWATER FACILITIES
EXHIBIT "10"	POTABLE WATER FACILITIES
EXHIBIT "11"	SANITARY SEWER FACILITIES
EXHIBIT "12"	IRRIGATION FACILITIES
EXHIBIT "13"	ROADWAY FACILITIES
EXHIBIT "14"	MITIGATION AREAS

ENGINEER'S REPORT

1. INTRODUCTION

1.1 Description of Tern Bay Community Development District

Heritage Landing (the "Development") to be served by the Tern Bay Community Development District (the "District") is located in Charlotte County, Florida lying in Sections 13, 17, 18, 19 and 20, Township 42 South, Range 23 East. The Project (as defined below) location is shown by Exhibit "1" of the Appendix. The Project is West of Burnt Store Road approximately 5 miles east of Punta Gorda.

The Development program and unit mix is planned to include one thousand five hundred and thirty seven (1,537) residential units, of which 1447 units are subject to this assessment. The assessed units are allocated among the following product types: (i) 232 single-family executive lots; (ii) 199 single-family manor lots; (iii) 102 single-family estate lots; (iv) 156 Coach Homes units; (v) 108 6 Plex units; (vi) 320 Veranda units; and (vii) 330 Terrace units. This information is summarized in Table 2. The Development includes a 18 hole golf course and a mix of amenities including a club house, fitness center with Tennis and pool. The Development will include lake/water management facilities, roadways, preserves, golf course and passive recreation areas.

Infrastructure construction began in 2006. Infrastructure was partially completed to serve the Development. Bonds were levied to finance the 2005 District Project. In 2008 the golf course operation was suspended along with construction and development activities. The 2005 District Project went dormant with few residential units completed.

Lennar Homes, LLC. ("Lennar") purchased the bonds and project assets in 2017 in foreclosure. The assessments were terminated on all of the units through the foreclosure, except for 69 units. These 69 units are "performing units" and subject to the 2005 assessment. A map showing the performing units is shown as Exhibit 2.

Lennar has restarted construction in the Development and is working to reopen the golf course. Construction of the Project (as defined below) is expected to begin in 2020. The Development will be completed in approximately four (4) years. The unit breakdown for the Development is provided in Table 2 and land use shown on Exhibit "8".

In support of the Development, the District intends to finance, construct and/or acquire the public infrastructure improvements identified herein including, but not limited to, stormwater management improvements, irrigation infrastructure, buffers, water and wastewater, and related professional services (the "Project"). The proposed land uses are included in Table 1 below.

TABLE 1
Land Use Summary:

TYPE OF USE	ACREAGE	% OF TOTAL
RESIDENTIAL	369.78	21
ROADWAYS	115	6
LAKES	100	6
GOLF COURSE	130	7
AMENITY	24	1
PRESERVES	1050	59
TOTAL	1778.78	100%

TABLE 2
PROJECT UNIT SUMMARY:

	PERFORMING UNITS	PHASE 1	PHASE 2	TOTAL
EXECUTIVE (50' LOTS)			232	232
MANOR (60' LOTS)	32	199		231
ESTATE (75' LOTS)			102	102
COACH HOMES	20	56	100	176
6 PLEX UNITS			108	108
VERANDA (12 UNITS)			320	320
TERRACE (30 UNITS)		180	150	330
COMMERCIAL	17			17
TOTAL	69	435	1012	1516

TOTAL PROJECT UNITS = 1,516 UNITS
TOTAL UNITS SUBJECT TO ASSESSMENT= 1,447 UNITS *
 • The performing units will not be assessed.

1.2 Purpose and Scope of the Report

The purpose of this report is to provide an updated description of the capital improvement program for the District which includes the capital improvements to be acquired and/or constructed and financed by the District and an apportionment of the costs for the capital improvements. The financing and assessment methodology will be developed by the District's financial advisor.

2. DISTRICT BOUNDARIES AND PROPERTIES SERVED

2.1 District Boundaries

Exhibit "1" shows the location of the Project and delineates the boundaries of the District. The District is bounded on the north and south by undeveloped wooded residential property, the west by Charlotte Harbor, and the east by Burnt Store Road.

2.2 Description of Properties Served

The District is located in Section 13, 17, 18, 19 and 20, Township 42 South, Range 23 East., Township 48 South, Range 26 East, Charlotte County, Florida and is 1,778 acres in size.

The District has been previously cleared and partially filled and elevations range from 4 feet to 10 feet NGVD. Approximately 26 lakes totaling 90 acres were excavated and the material spread throughout the District, but not funded with bond proceeds. Ground water is generally less than one foot below natural ground during the wet season. There is not much fluctuation in the water table due to the proximity to Charlotte Harbor which is tidally influenced.

The property within the District is zoned for residential development. A site plan is depicted on Exhibit "8".

2.3 Existing Infrastructure

The District is located within the Charlotte County Utilities (CCU) water-sewer franchise area. CCU is a department of Charlotte County, a political subdivision of the State of Florida. The Charlotte County Board of County Commissioners serves as Ex-Officio Governing Board of this water-sewer service area. CCU will provide water and wastewater services to the District. At this time, CCU does not have effluent reuse irrigation water available to the District.

Potable water for the District is available via an existing 16" watermain along Burnt Store Road. This existing potable watermain is operated by CCU and was constructed as part of the 2007 Project and dedicated to CCU. The location of the existing potable water facilities is shown on Exhibit "5" of the Appendix. The District will not finance any portion of the existing potable water facilities.

Wastewater for the District is available via a master Pump station and existing 12" force main along Burnt Store Road. This existing force main is operated by CCU. These facilities were constructed as part of the 2005 District Project and dedicated to CCU. The location of the existing sanitary sewer facilities is shown on Exhibit "6" of the Appendix. The District will not finance any portion of the existing sanitary sewer facilities.

Irrigation water is provided by onsite withdrawal from the lakes. Two irrigation pump stations and irrigation mains were constructed as part of the 2005 District Project to serve the Development. Separate irrigation systems (pump and distribution system) are provided for the golf course, and for the residential areas. Only the new irrigation mains and irrigation system for the common areas within the District will be part of the Project. The District will not finance any portion of the existing irrigation facilities, nor any portions of the irrigation systems on the residential lots.

The District is located within the Charlotte Harbor Drainage Basin with the receiving body being the Charlotte Harbor via overland flow through offsite wetlands that connect to the tidally influenced Harbor, which is shown on Exhibit "4". A portion of the stormwater management system was constructed as part of the 2007 Project and is operational. The District will not finance any portion of the existing stormwater management facilities.

Burnt Store Road borders the District's East boundary. It is a public roadway that provides access to the District. The northern entrance of two planned entrances to the Development is completed.

The District is located within the franchise areas of Florida Power & Light and Sprint/CenturyLink. Cable service is available from Comcast. These utility companies will provide electrical power, telephone and cable television services to the Development located within the District. These utilities have been partially constructed within the Development and are not part of the Project.

3. PROPOSED DISTRICT INFRASTRUCTURE

3.1 Summary of the District Infrastructure

All of the Developable lands within the District will benefit from the Project to be financed, acquired and/or constructed by the District, except for the Commercial Area. The performing residential units will benefit from the Project but will not be assessed. The District's infrastructure generally consists of the following:

- Irrigation
- Stormwater Management
- Public Roadways
- Water and Wastewater
- Mitigation
- Professional Services
- Contingency

3.2 Irrigation

The irrigation system will provide irrigation water to all the land uses within the District. The District's Irrigation System will consist of an irrigation main of varying sizes and irrigation services to the lots and other residential areas of the District as generally reflected in the plan attached as Exhibit "7". Approximately 150,000 linear feet of irrigation main will be constructed to serve the entire District. The irrigation system withdraws from the onsite lake that will be owned by the District.

Two separate irrigation systems are planned, each with a separate pump station and distribution mains. One system will serve the residential and common areas. A separate system will serve the golf course. Two irrigation pump stations and 20,000 LF of irrigation mains were constructed as part of the 2007 Project that serves approximately 400 acres. The golf course system is complete. The residential system will be expanded to serve the undeveloped areas of the District. Only new construction will be financed as part of the Project. No portions of the existing irrigation facilities will be financed.

As part of the expansion of the irrigation system, approximately 53,000 linear feet of irrigation main will be constructed to serve the District. These irrigation facilities are shown on Exhibit "12". The individual sprinkler systems on the residential lots will not be part of the District Project. The Irrigation System within the District will be constructed or acquired by the District when completed, and located within District owned property, or within areas where appropriate easements are provided to the District for the operation of the system. The District will own the Irrigation System and be responsible for perpetual maintenance of the Irrigation System.

3.3 Stormwater Management

The District's stormwater management system consists of stormwater management lakes, drainage pipes, catch basins, swales, berms, and water control structures as generally reflected in the plan attached as Exhibit "9". Approximately 110,000 feet of valley gutter and 55,000 feet of drainage pipes will be constructed to serve the District. These are the conveyance elements that will drain the Development and connect to the lakes. Stormwater runoff from within the District will be collected and conveyed to the stormwater management lakes for water quality treatment and quantity storage. Stormwater runoff from the District will be stored in the lakes

during the storm events. The storm water management system has been designed and will be constructed in accordance with Southwest Florida Water Management District standards for water quality treatment, quantity storage and flood protection.

All of the originally planned stormwater lakes were excavated as part of the 2005 Project. As part of the Project, some of the existing lakes will be reshaped and expanded. Excavation of 10 acres of new lakes is also planned. Approximately 100,000 cubic yards of material will be excavated. The Project will not include the cost for transporting or spreading the fill on the developable lots.

Approximately 73,000 feet of valley gutter and 25,000 feet of drainage pipes will be constructed as part of the Project. Ground cover will be provided as necessary to prevent erosion. Ground cover will consist of sod, shrubs and littoral and upland plantings in and around the lakes and berms. Only new construction will be financed as part of the Project. No portions of the existing stormwater facilities will be financed.

After completion of the excavation activities, including the reshaping and expansion of the existing lakes, the Developer will donate to the District the land over the storm water management lakes. The cost to excavate the lakes to the minimum depth, as required by the permit approvals, will be financed by the District along with the cost for the placement and grading of the fill for the perimeter berms. The cost to excavate beyond the minimum depth, and the cost of trucking and grading the excavated material within the roadways and residential areas will not be part of the Project or financed by the District. The Project will include the reshaping and resloping of the existing lake bank.

The Stormwater Management improvements for the Development will be constructed or acquired by the District when completed. The District will own the stormwater management system including the lakes which will be deeded to the District for ownership at no cost. The District will be responsible for perpetual maintenance of the stormwater management system.

3.4 Public Roadways

Onsite Roadways

The roadways within the District will consist of two-lane curbed roadways. The roadways will provide access to the various land uses within the District. The roadways for the District will connect to Burnt Store Road. The roadways will be constructed to Charlotte County requirements within platted rights-of-ways and easements. Approximately 45,000 feet of roadway is proposed within the District as shown in Exhibit "13". The roadways within the District will be constructed or acquired by the District when completed. The District will acquire the completed roadways from Lennar, as the current owner, for the cost of the construction of the improvements to the roadways along with the cost of the right of way acquisition based on the appraised value. The District will be responsible for perpetual maintenance of the Roadways. The public will have access to the roadways. A manned access gate will be provided to facilitate appropriate public access.

Entry features will be located within and adjacent to public rights-of-way. The roadways and entry features will be landscaped to help the roadways blend into the community. Landscaping may consist of sod, shrubs, trees and ground covers. These facilities are part of the roadways and District Project and will be owned and maintained by the District.

Offsite Roadway

Turn lane improvements will be made to Burnt Store Road as part of the District project at the entrances to the project. Once completed the improvements will be owned and maintained by Charlotte County. Landscaping will be placed in the Burnt Store Road right of way and adjacent to beautify the public roadway in areas owned by the District/County.

3.5 Water and Wastewater

The water and wastewater utilities to serve the District will consist of a potable water distribution system and a wastewater collection/transmission system. These utilities are designed and will be constructed in accordance with appropriate rules of Charlotte County and State of Florida regulatory agencies. The potable water distribution and wastewater collection/transmission systems will be constructed by the District or acquired from the Developer. It is the intent of the District to transfer ownership, operation and maintenance of the water and wastewater facilities to CCU after they are constructed and placed into service.

Potable water service for the District will be provided by the extension of water mains along Burnt Store Road. The water system will include distribution mains, valves, hydrants, and water services of varying sizes to serve the lots and buildings within the District. There will be approximately 54,000 linear feet of distribution mains constructed to serve the entire District. The general location of the potable water facilities are shown on Exhibit "10".

Approximately 19,000 lf of water main serving 493 units was constructed as part of the 2007 Project. These potable water facilities are operated by CCU. There will be approximately 35,000 linear feet of potable water distribution mains constructed as part of the District Project to serve the remainder of the District. Only new construction will be financed as part of the District Project. No portions of the existing potable water facilities will be financed.

Sanitary Sewer service for the District will be provided by connecting to and extending the existing sewer facilities along Burnt Store Road that are owned and operated by CCU. The wastewater facilities will consist of gravity collection mains and four onsite pumping stations. Force mains will connect these stations to the existing CCU system. It is estimated 53,00 linear feet of gravity sewer and 14,000 feet of force main will be needed to serve the entire District. The general location of the sanitary sewer facilities is shown on Exhibit "11".

Approximately 18,000 lf of gravity sewer and 8,000 lf of force main serving 493 units was constructed as part of the 2007 Project. These sanitary sewer facilities are operated by CCU. There will be approximately 35,000 linear feet of gravity sewer mains, two lift stations and 6,000 lf of force main constructed as part of the District Project to serve the remainder of the District. Only new construction will be financed as part of the District Project. No portions of the existing sanitary sewer facilities will be financed.

3.6 Mitigation

The wetland impact mitigation for the Development will consist of the enhancement of onsite mitigation areas generally reflected on Exhibits "9" and "10". The mitigation will be completed in accordance with SFWMD, ACOE and Charlotte County requirements. Enhancement of the mitigation areas will occur through construction and planting of aquatic littoral zones in the mitigation areas, removal of exotic plant species and replanting of the preserve areas with native plants.

A vegetated buffer is required as part of the wetland and wildlife mitigation along the boundaries of the preserves. These buffers will be planted with native plants. The cost for the grading and planting of this buffer will be part of the District mitigation work.

The enhancement activities will be part of the Project and will be financed by the District. The onsite and offsite mitigation area will be deeded to the District for ownership at no cost. The District will own, or otherwise have the necessary easement rights, and maintain the mitigation areas, and the vegetated buffer areas.

3.7 Professional Services

The professional services for design and construction of all components of the District Project including the engineering, utilities, soils investigation and testing, landscaping design, environmental consultation, and construction services for inspection of the Project during construction. The professional services for the design and construction of the private infrastructure will not be part of the District Project, nor financed by the District.

3.8 Contingency

These costs include a reasonable contingency in the amount of 10% to cover unexpected cost or unforeseen requirements, and to cover any inflationary cost since construction of some District infrastructure may not occur for several years.

4. OPINION OF PROBABLE CONSTRUCTION COSTS AND BENEFIT

A summary of the opinion of probable costs for the public improvements comprising the Project to be financed by the District is represented in Table 3. The costs do not include the legal, administrative, financing, operation or maintenance services necessary to finance and operate the District infrastructure.

The public improvements comprising the Project benefit the District and the estimate of probable cost is less than the benefit the assessed property within the District will receive as a result of the construction of the Project. The District Assessment Methodology apportions the cost based on the special benefit received by the residential units that comprise the District.

It is my professional opinion that these costs are reasonable for the work to be performed and benefit the developable real property in the District. I believe that the District's planned Project to be financed with bonds can be constructed within the budget set forth in this report.

TABLE 3
Summary of Opinion of Probable Cost:

Project Description	Project Cost	Land Cost *	Proportional Project Cost **
IRRIGATION	\$2,220,000		2,142,988
STORMWATER MANAGEMENT	\$4,800,000		4,633,488
WATER AND WASTEWATER	\$8,730,000		8,427,158
PUBLIC ROADWAYS	\$6,600,000	\$2,247,550	\$8,540,630
MITIGATION	\$1,000,000		965,310
PROFESSIONAL SERVICES	\$1,100,000		1,061,841
CONTINGENCY (10%)	\$2,445,000		2,360,183
TOTAL	\$26,895,000		\$2,247,550
GRAND TOTAL	\$29,142,550		\$28,131,598

* Land cost estimated at \$79,000 per acre for 28.45 acres of roadway. Actual cost will be determined by an appraisal.

** The proportional cost is the portion of the cost that will be assessed. The portion is the ratio of the assessed units divided by the benefited units (all units within the Development, less the commercial units, equals 1499 units). This ratio is 1447/1499, or 96.53% is the portion of the Project cost that will be assessed to 1447 units.

5. PERMITS

Overall Project Permits

Permits for construction are required prior to the commencement of infrastructure improvements. These permitting agencies have continuing jurisdiction over the public infrastructure being financed. The following permits have been obtained for the overall Project:

- Local zoning approval.
- Army Corps of Engineers Dredge and Fill Permit.
- South Florida Water Management District Environmental Resource Permit (ERP).
- Environmental Protection Agency NPDES permit.

Local permits for the 2005 project included Charlotte County Preliminary and Final Site Development permits for approximately 500 units. These permits include Charlotte County Preliminary and Final Site Development permits, and plats, and FDEP water and sewer construction permits are still valid.

Applications for Charlotte County Preliminary and Final Site Development permits have been submitted and approved for an additional 120 units.

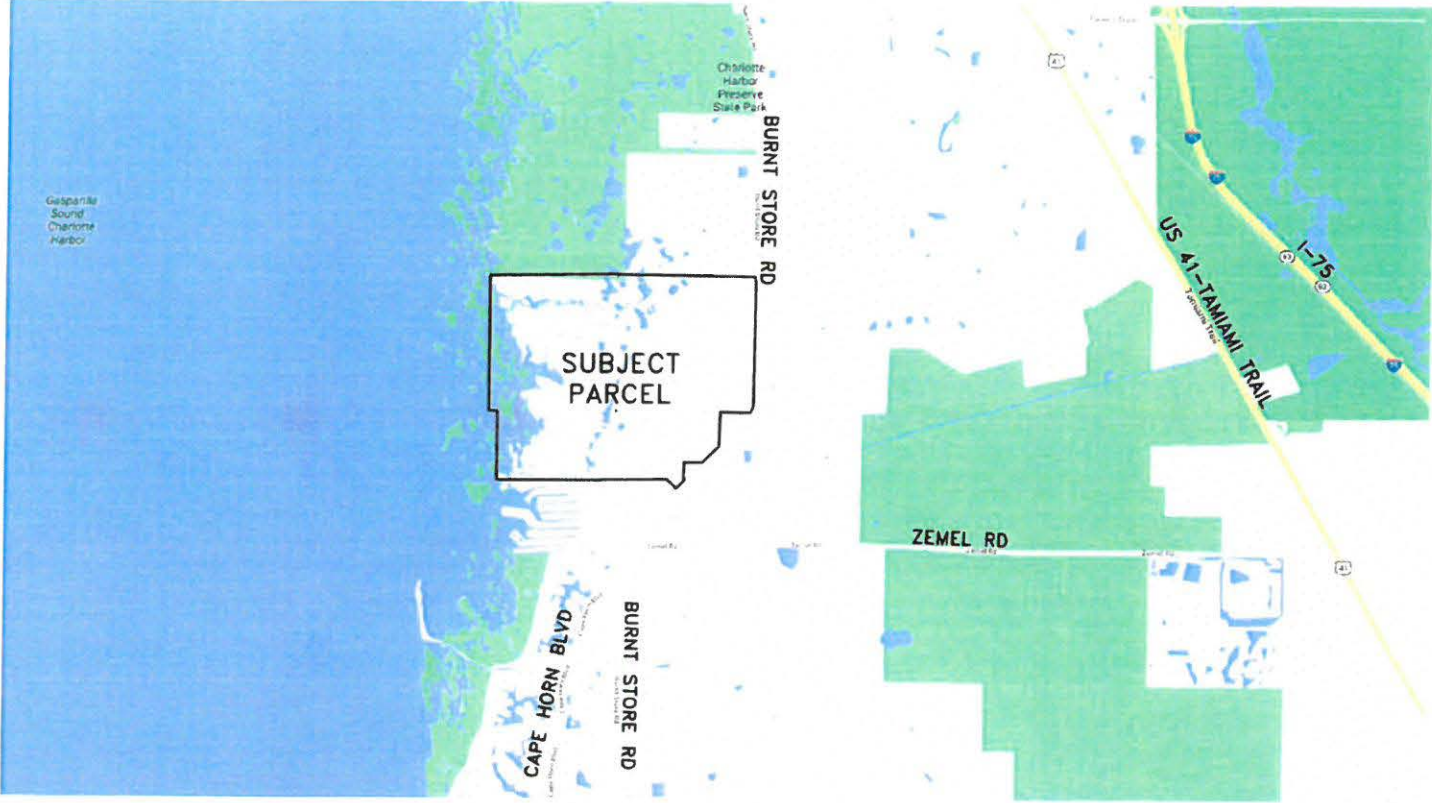
Applications for the remainder of the proposed units will be obtained in due course prior to construction.

David R. Underhill, Jr. Date
FL License No. 47029
District Engineer

APPENDIX



LOCATION MAP



CHARLOTTE COUNTY

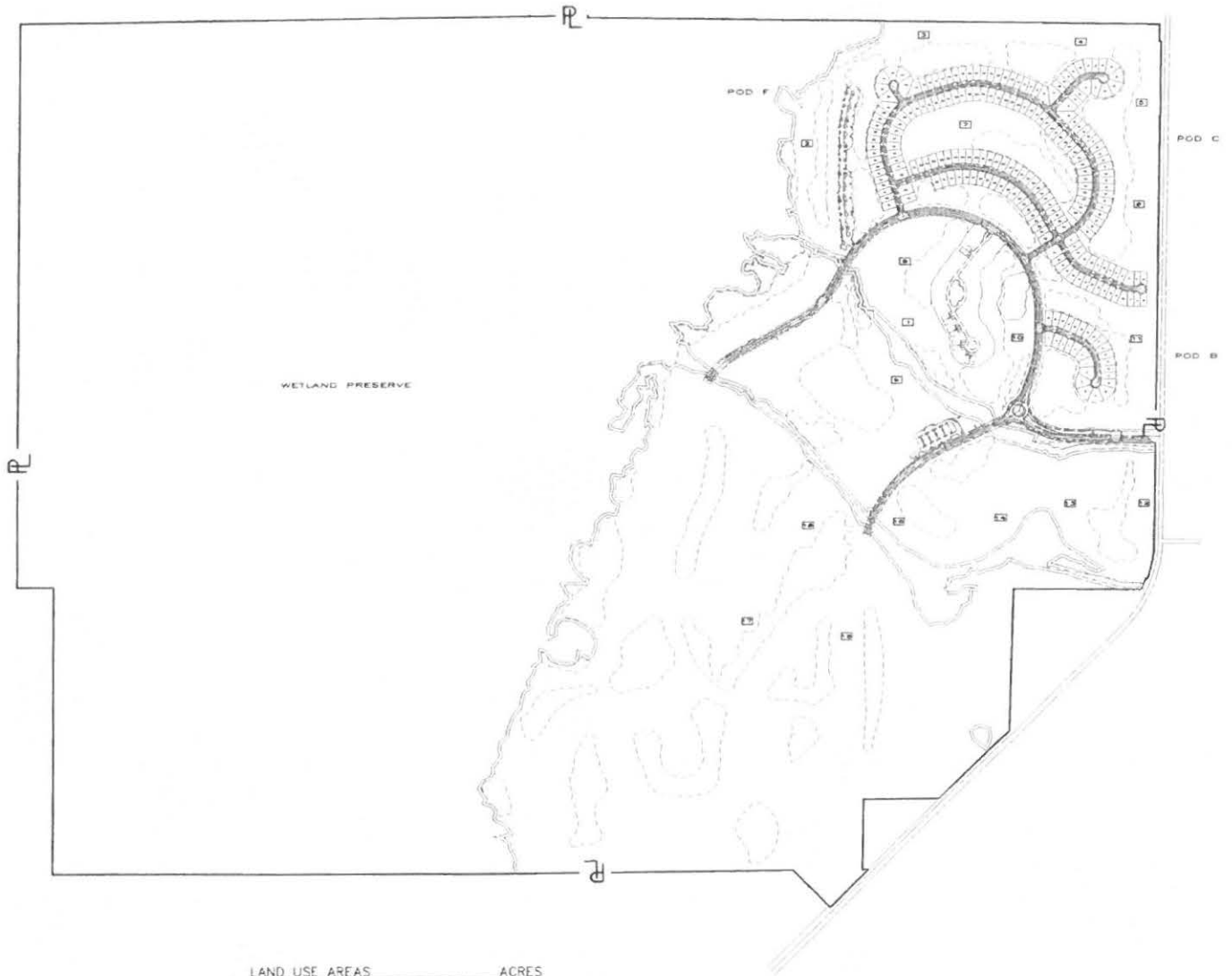
EXHIBIT 1

BANKS ENGINEERING
 Professional Engineers, Planners, & Land Surveyors
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10511 SIX MILE CYPRESS PARKWAY
 FORT MYERS, FLORIDA 33966
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 ENGINEERING LICENSE # EB 6469
 SURVEY LICENSE # LB 6650
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LOCATION MAP
TERN BAY CDD
 CHARLOTTE COUNTY, FLORIDA

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
8-21-19	2292L	LOC MAP	JLW	JLW	DRU	MTS	1



LAND USE AREAS	ACRES
PRESERVE:	XXX.XX
GOLF COURSE:	XXX.XX
LAKES:	XXX.XX
BUFFERS & OTHER OPEN SPACE:	XXX.XX
ROADS:	XXX.XX
RESIDENTIAL AREAS:	XXX.XX

EXHIBIT 2

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SURVEY LICENSE # LB 6690
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EXISTING CONDITIONS PLAN
TERN BAY CDD
CHARLOTTE COUNTY, FLORIDA

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
8-21-19	2292L	EX. COND.	JLW	JLW	DRU	NTS	1



WETLAND PRESERVE

POD F

POD C

POD B

20 COACH HOME UNITS

32 UNITS

COMMERCIAL AREA
17 UNITS

LEGEND:

PERFORMING LOTS/UNITS
(69 UNITS)

EXHIBIT 3

BANKS
ENGINEERING

Professional Engineers, Planners, & Land Surveyors
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PERFORMING UNITS SITE PLAN
TERN BAY CDD
CHARLOTTE COUNTY, FLORIDA

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
8-21-19	2292L	SP	JLW	JLW	DRU	NTS	1



WETLAND PRESERVE

POD F

POD C

POD B

LEGEND:




-  EXISTING DRAINAGE PIPES AND STRUCTURES
-  WETLAND PRESERVE
-  EXISTING LAKES

EXHIBIT 4

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EXISTING STORMWATER MANAGEMENT FACILITIES

TERN BAY CDD
CHARLOTTE COUNTY, FLORIDA

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
8-21-19	2292L	EX. SW	JLW	JLW	DRU	NTS	1



WETLAND PRESERVE

LEGEND:

— WM — EXISTING POTABLE WATER MAIN

EXHIBIT 5

EXISTING POTABLE WATER FACILITIES
TERN BAY CDD
CHARLOTTE COUNTY, FLORIDA

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DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
8-21-19	2292L	EX. WM	JLW	JLW	DRU	NTS	1



WETLAND PRESERVE

LEGEND:

- SS — EXISTING GRAVITY MAIN
- EXISTING MANHOLE
- LS ● EXISTING LIFT STATION
- FM — EXISTING FORCE MAIN

EXHIBIT 6

EXISTING SANITARY SEWER FACILITIES
TERN BAY CDD
 CHARLOTTE COUNTY, FLORIDA

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 SURVEY LICENSE # LB 6690
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DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
8-21-19	2292L	EX. SS	JLW	JLW	DRU	NTS	1



WETLAND PRESERVE

LEGEND:

- IRR— EXISTING RESIDENTIAL IRRIGATION MAIN
- IRR— EXISTING GOLF IRRIGATION MAIN

EXHIBIT 7

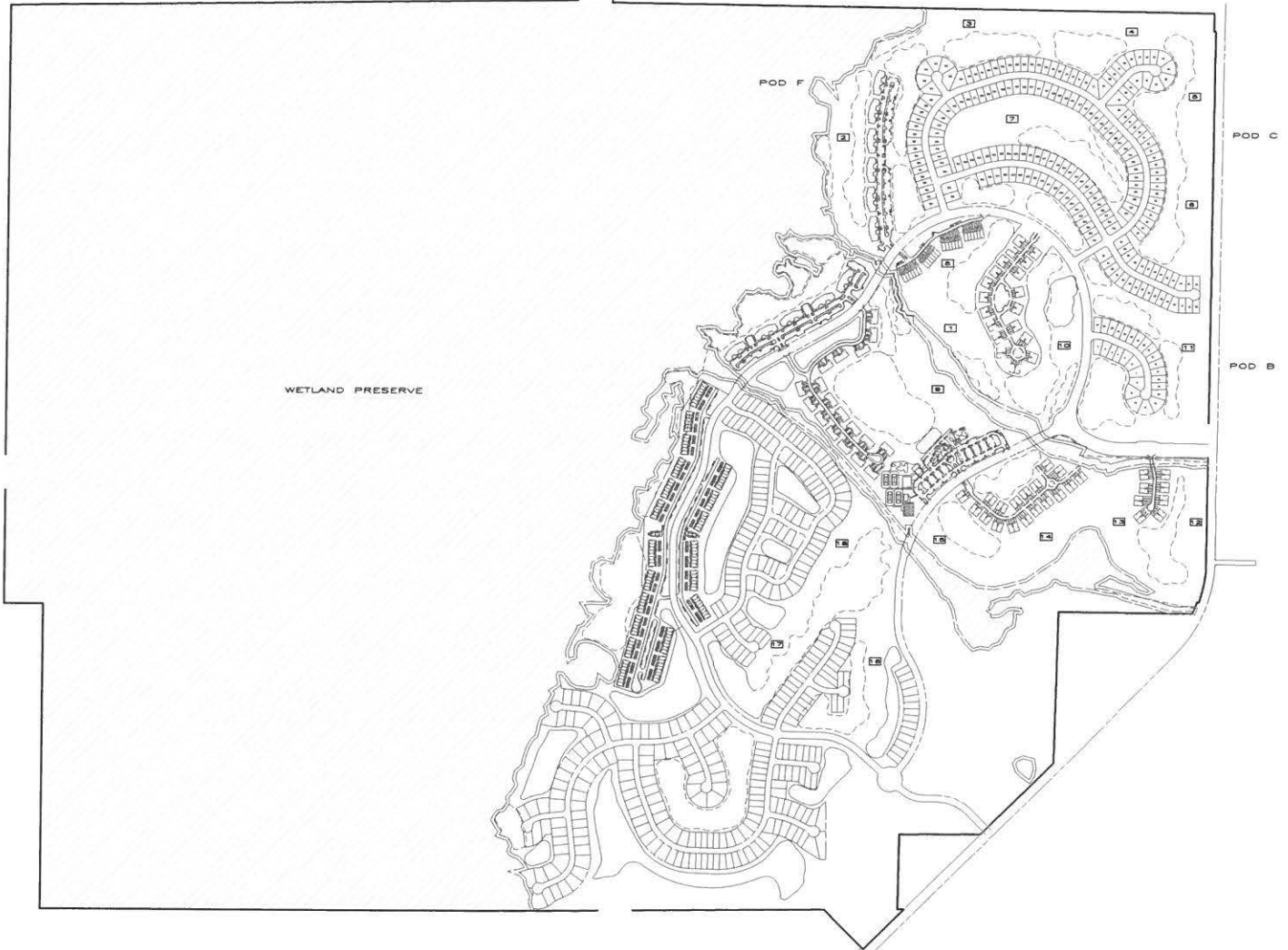
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SURVEY LICENSE # LS 6690
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EXISTING IRRIGATION FACILITIES
TERN BAY CDD
CHARLOTTE COUNTY, FLORIDA

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
B-21-19	2292L	EX. IRRIGATION	JLW	JLW	DRU	NTS	1



PROJECT UNIT SUMMARY:

	PERFORMING UNITS	PHASE 1	PHASE 2	TOTAL
EXECUTIVE (50' LOTS)			232	232
MANOR (60' LOTS)	32	199		231
ESTATE (75' LOTS)			102	102
COACH HOMES	20	56	104	180
6 PLEX UNITS			108	108
VERANDA (12 UNITS)			320	320
TERRACE (30 UNITS)		180	150	330
COMMERCIAL	17			17
TOTAL	69	435	1016	1537

TOTAL PROJECT UNITS = 1,537 UNITS

EXHIBIT 8

BANKS
ENGINEERING

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ENGINEERING LICENSE # EB 6469
SURVEY LICENSE # LB 6690

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Serving The State Of Florida

OVERALL SITE PLAN
TERN BAY CDD
CHARLOTTE COUNTY, FLORIDA

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
8-21-19	2292L	SP	JLW	JLW	DRU	NTS	1

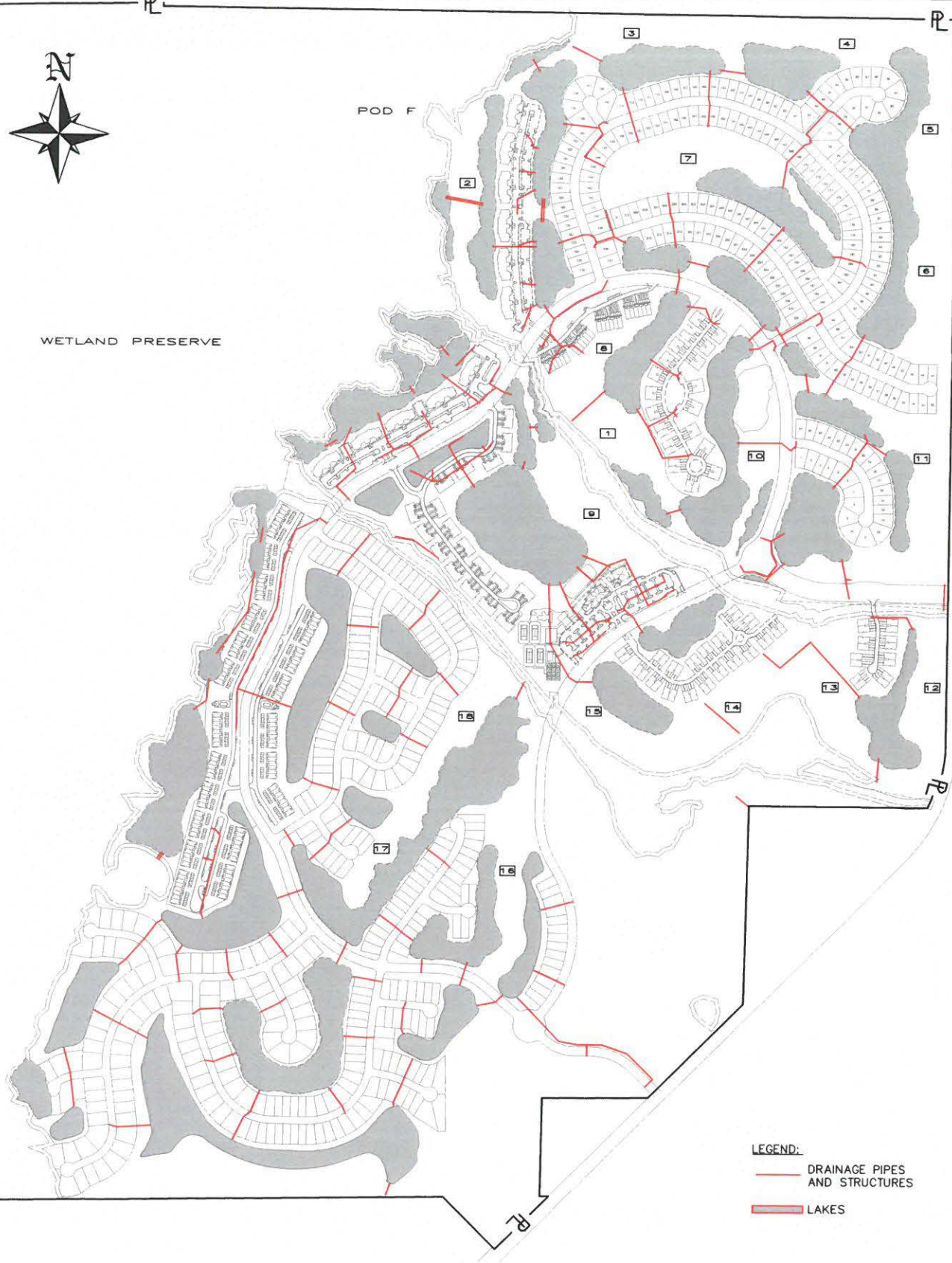


WETLAND PRESERVE

POD F

POD C

POD B



LEGEND:

- DRAINAGE PIPES AND STRUCTURES
- LAKES

EXHIBIT 9

BANKS
ENGINEERING

4161 TAMAMI TRAIL - BLDG 5 UNIT 501
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ENGINEERING LICENSE # EB 6469
SURVEY LICENSE # LB 6690
WWW.BANKSENG.COM

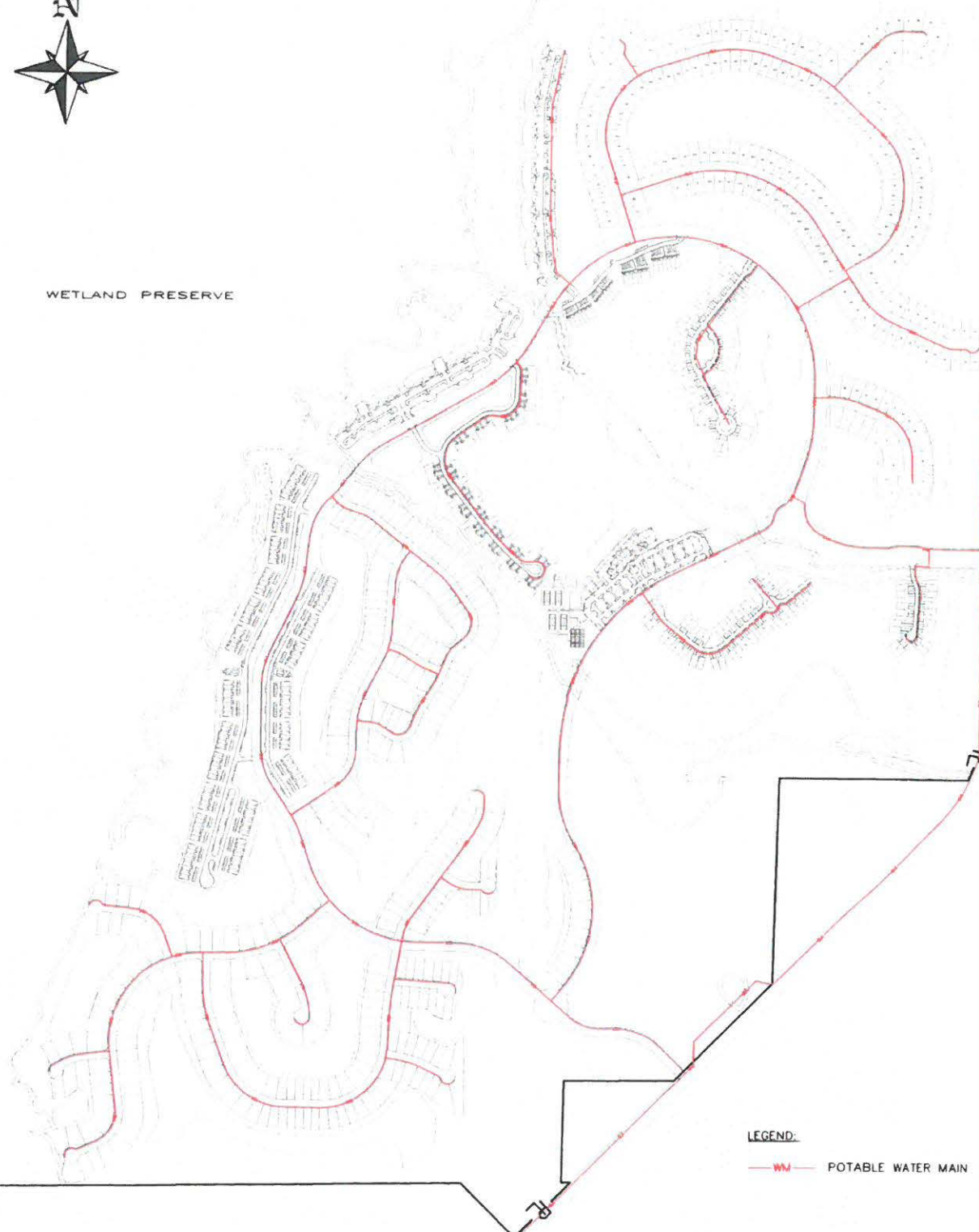
Professional Engineers, Planners, & Land Surveyors
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STORMWATER FACILITIES
TERN BAY CDD
CHARLOTTE COUNTY, FLORIDA

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
8-21-19	2292L	STORMWATER	JLW	JLW	DRU	NTS	1



WETLAND PRESERVE



LEGEND:

— WW — POTABLE WATER MAIN

EXHIBIT 10

BANKS
ENGINEERING

Professional Engineers, Planners, & Land Surveyors
Serving The State Of Florida

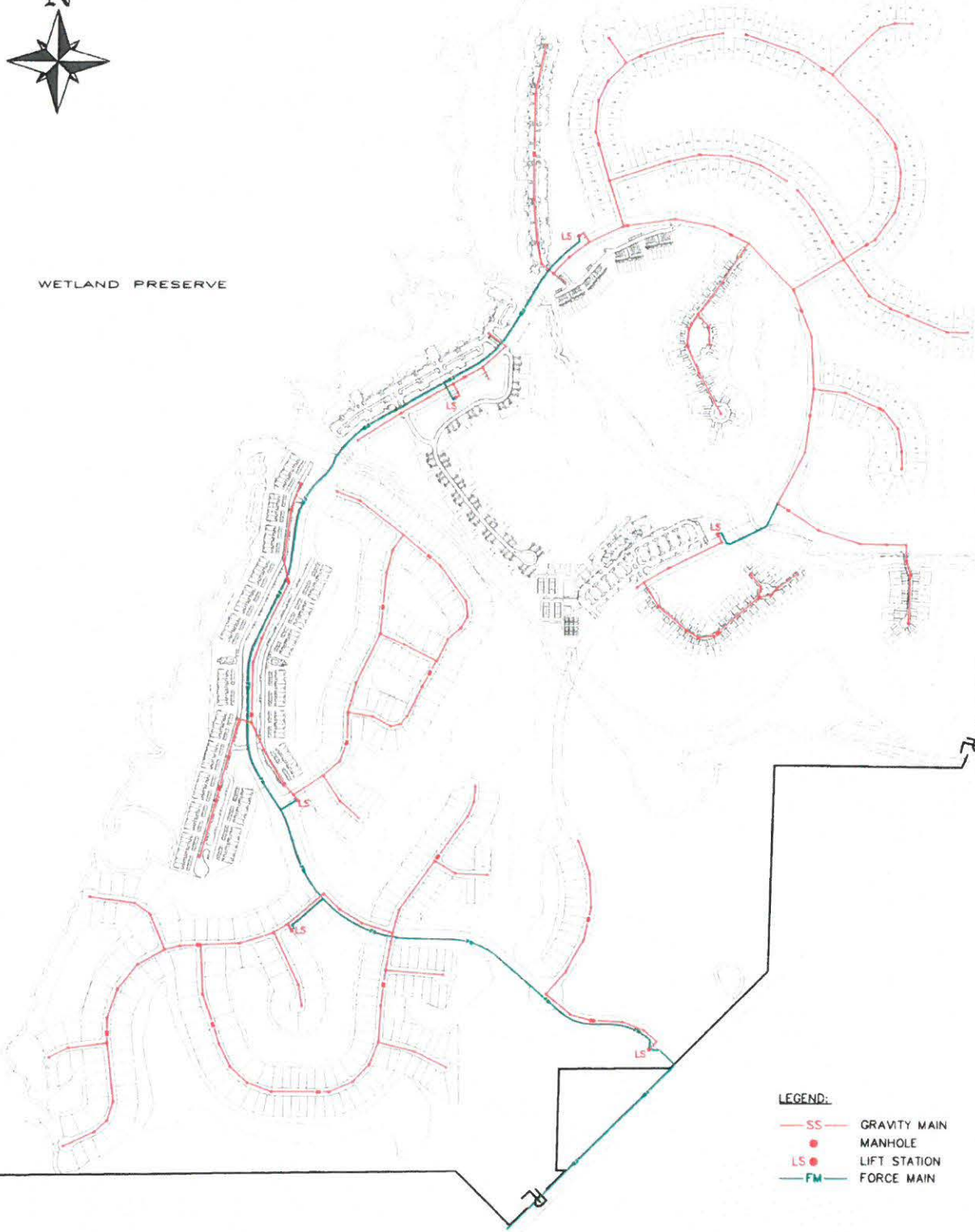
10511 SIX MILE CYPRESS PARKWAY
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PHONE: (239) 938-5490 FAX: (239) 939-2523
ENGINEERING LICENSE # EB 8489
SURVEY LICENSE # LB 6690
WWW.BANKSENG.COM

POTABLE WATER FACILITIES
TERN BAY CDD
CHARLOTTE COUNTY, FLORIDA

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
8-21-19	2292L	WATERMAIN	JLW	JLW	DRU	NTS	1



WETLAND PRESERVE



- LEGEND:**
- SS — GRAVITY MAIN
 - MANHOLE
 - LS ● LIFT STATION
 - FM — FORCE MAIN

EXHIBIT 11

SANITARY SEWER FACILITIES
TERN BAY CDD
 CHARLOTTE COUNTY, FLORIDA

BANKS ENGINEERING
 Professional Engineers, Planners, & Land Surveyors
 Serving The State Of Florida

10511 SIX MILE CYPRESS PARKWAY
 FORT MYERS, FLORIDA 33966
 PHONE: (239) 939-5490 FAX: (239) 939-2523
 ENGINEERING LICENSE # EB 8469
 SURVEY LICENSE # LB 8660
 WWW.BANKSENG.COM

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
8-21-19	2292L	SANITARY	JLW	JLW	DRU	NTS	1



WETLAND PRESERVE

LEGEND:

- IRR— RESIDENTIAL IRRIGATION MAIN
- IRR— GOLF IRRIGATION MAIN

EXHIBIT 12

BANKS
ENGINEERING

10511 SIX MILE CYPRESS PARKWAY
FORT MYERS, FLORIDA 33906
PHONE: (239) 939-5460 FAX: (239) 939-2523
ENGINEERING LICENSE # EB 6469
SURVEY LICENSE # LB 6690
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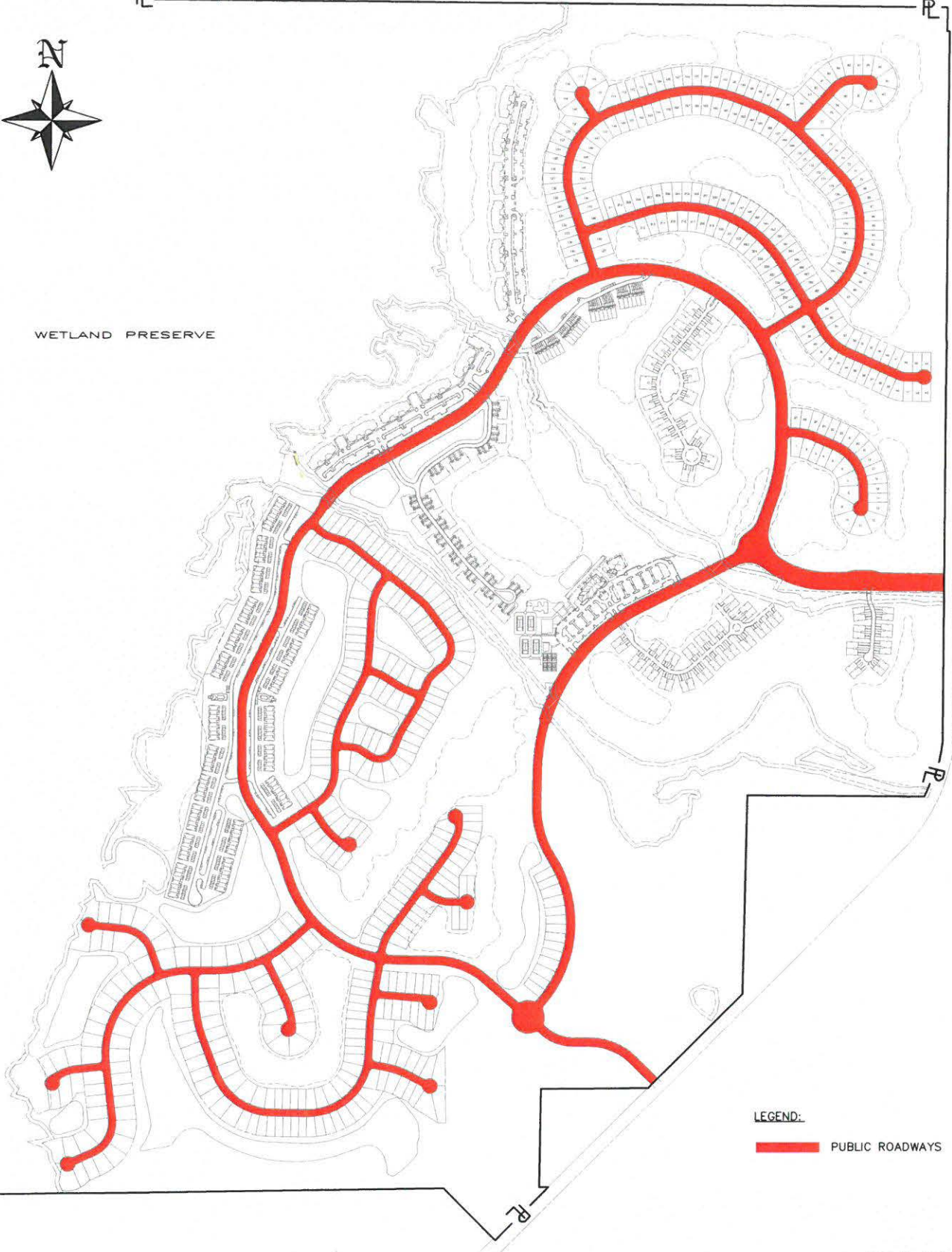
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IRRIGATION FACILITIES
TERN BAY CDD
CHARLOTTE COUNTY, FLORIDA

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
8-21-19	2292L	IRRIGATION	JLW	JLW	DRU	NTS	1



WETLAND PRESERVE



LEGEND:

 PUBLIC ROADWAYS

EXHIBIT 13

BANKS
ENGINEERING

4161 TAMiami TRAIL - BLDG 5 UNIT 501
PORT CHARLOTTE, FLORIDA 33952
PHONE: (941) 625-1165 FAX: (941) 625-1149

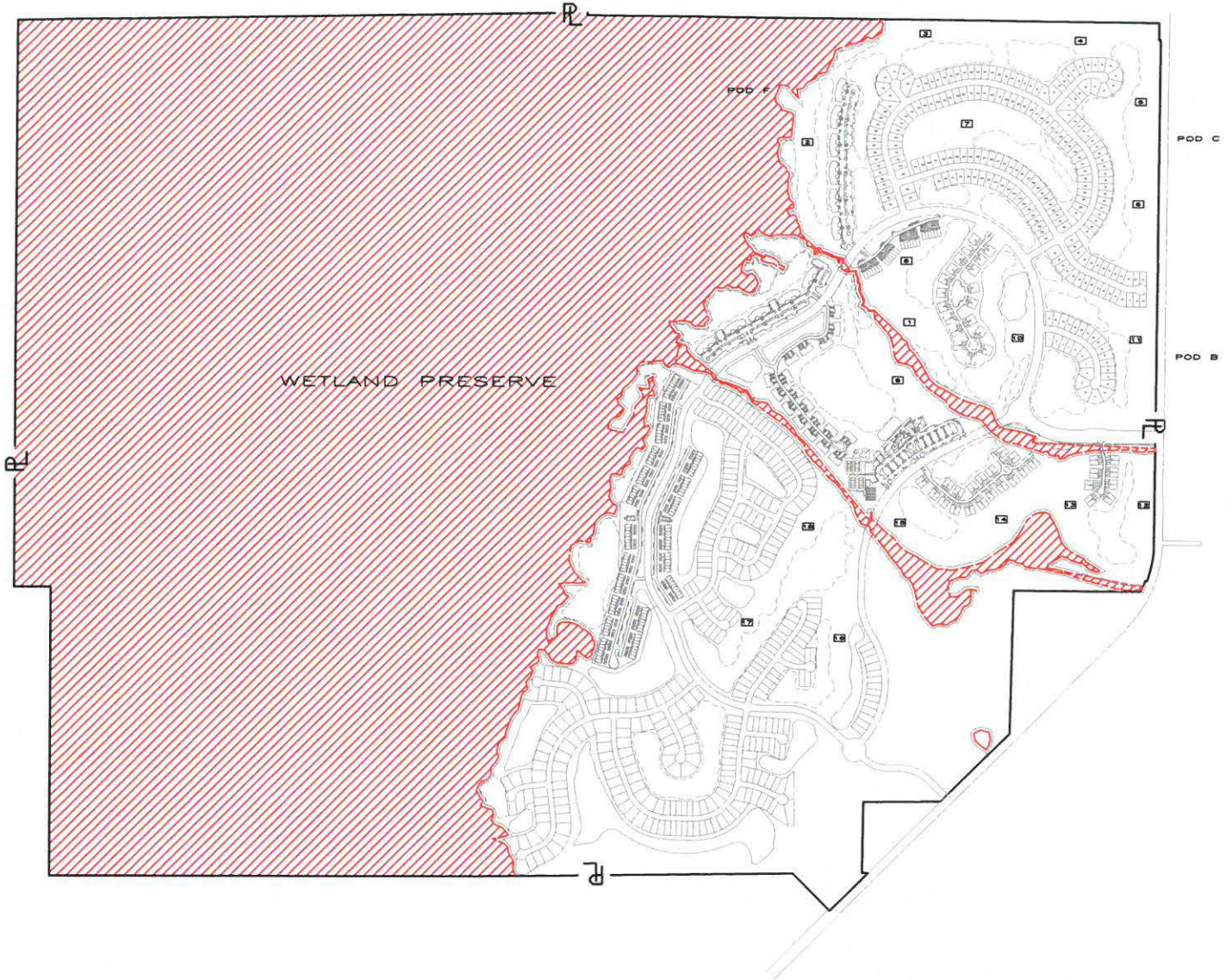
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PUBLIC ROADWAYS
TERN BAY CDD
CHARLOTTE COUNTY, FLORIDA

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
8-21-19	2292L	SANITARY	JLW	JLW	DRU	NTS	1



 MITIGATION AREAS

EXHIBIT 14

BANKS
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4161 TAMiami TRAIL - BLDG 5 UNIT 501
PORT CHARLOTTE, FLORIDA 33952
PHONE: (941) 625-1165 FAX: (941) 625-1149

ENGINEERING LICENSE # EB 6469
SURVEY LICENSE # LB 6690

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MITIGATION
TERN BAY CDD
CHARLOTTE COUNTY, FLORIDA

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
8-21-19	2292L	SP	JLW	JLW	DRU	NTS	1

RESOLUTION NO. 2020-4

A RESOLUTION OF THE BOARD OF SUPERVISORS OF TERN BAY COMMUNITY DEVELOPMENT DISTRICT SETTING A PUBLIC HEARING TO BE HELD ON JUNE 9, 2020 AT 10:00 A.M. AT THE COUNTRY INN AND SUITES 24244 CORPORATE COURT, PORT CHARLOTTE, FLORIDA 33954 OR AS OTHERWISE PERMITTED BY LAW AT SAID DATE AND TIME IN THE EVENT EXECUTIVE ORDER 20-69 IS STILL IN EFFECT DUE TO PUBLIC HEALTH EMERGENCY, FOR THE PURPOSE OF HEARING PUBLIC COMMENT ON IMPOSING SPECIAL ASSESSMENTS ON CERTAIN PROPERTY WITHIN THE DISTRICT GENERALLY DESCRIBED AS THE TERN BAY COMMUNITY DEVELOPMENT DISTRICT IN ACCORDANCE WITH CHAPTERS 170, 190 AND 197, FLORIDA STATUTES; PROVIDING FOR CONFLICTS, PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of Supervisors of Tern Bay Community Development District ("Board") has previously adopted Resolution No. 2020-3 entitled:

A RESOLUTION OF THE BOARD OF SUPERVISORS OF TERN BAY COMMUNITY DEVELOPMENT DISTRICT DECLARING SPECIAL ASSESSMENTS; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THOSE IMPROVEMENTS WHICH COST IS TO BE DEFRAYED IN WHOLE OR IN PART BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED COST OF THE IMPROVEMENTS TO BE DEFRAYED IN WHOLE OR IN PART BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE MADE; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; ADOPTING A PRELIMINARY ASSESSMENT ROLL; PROVIDING FOR A PUBLIC HEARING TO CONSIDER THE ADVISABILITY AND PROPRIETY OF SAID ASSESSMENTS AND THE RELATED IMPROVEMENTS; PROVIDING FOR NOTICE OF SAID PUBLIC HEARING; PROVIDING FOR PUBLICATION OF THIS RESOLUTION; PROVIDING FOR CONFLICTS, PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, in accordance with Resolution No. 2020-3, a preliminary assessment roll has been prepared and all other conditions precedent set forth in Chapters 170, 190 and 197, Florida Statutes to the holding of the aforementioned public hearing have been satisfied, and the roll and related documents are available for public inspection at the offices of the District Manager at JPWard & Associates LLC, 2900 Northeast 12th Terrace, Suite 1, Oakland Park, Florida 33334 ("District Manager's Office").

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF TERN BAY COMMUNITY DEVELOPMENT DISTRICT:

Section 1. There is hereby declared a public hearing to be held on June 9, 2020 at 10:00 a.m., at the Country Inn and Suites 24244 Corporate Court, Port Charlotte, Florida 33954, for the purpose of hearing comment and objections to the proposed special assessment program for community improvements as identified in the preliminary assessment roll, a copy of which is on file at the District Manager's Office. Said preliminary assessment roll indicates the areas to be improved, description of the project for which assessment are to be made and the amount expected to be assessed to each benefited piece or parcel of property.

As of the date of adoption of this resolution, please be advised that the Florida Governor's Office has declared a state of emergency due to the Coronavirus (COVID-19). As reported by the Center for Disease Control and World Health Organization, COVID-19 can spread from person-to-person through small droplets from the nose or mouth,

including when an individual coughs or sneezes. These droplets may land on objects and surfaces. Other people may contract COVID-19 by touching these objects or surfaces, then touching their eyes, nose or mouth. Therefore, merely cleaning facilities, while extremely important and vital in this crisis, may not be enough to stop the spread of this virus. Those with weakened immune systems may want to avoid the District's meeting in order to avoid a potential exposure to the virus.

With the State of Emergency in Florida, and pursuant to Executive Orders 20-52 and 20-69 issued by Governor DeSantis on March 9, 2020 and March 20, 2020 respectively, and pursuant to Section 120.54(5)9b)2., Florida, Statutes, this meeting will be held utilizing communication media technology due to the current COVID-19 public health emergency. Toward that end, anyone wishing to listen and participate in the meeting can do so by connecting to a link that will be posted on the District's web site www.Ternbaycdd.org.

Affected parties may appear at that hearing subject to the limitation noted above or affected parties are encouraged to submit their comments in writing prior to the meeting and submit same to the office of the District Manager at JPWard & Associates LLC, 2900 Northeast 12th Terrace, Suite 1, Oakland Park, Florida 33334 or by email to JimWard@JPWardAssociates.com.

Section 2. Notice of said hearing shall be advertised in accordance with Chapters 170, 190 and 197 Florida Statutes, and the District Manager is hereby authorized and directed to place said notice in a newspaper of general circulation published within Lee County (by two publications one week apart with the last publication at least one week prior to the date of the hearing established herein). The District Manager shall file a publisher's affidavit with the District Secretary verifying such publication of notice. The District Manager is further authorized and directed to give thirty (30) days written notice by mail of the time and place of this hearing to the owners of all property to be assessed and include in such notice the amount of the assessment for each such property owner, a description of the areas to be improved and notice that information concerning all assessments may be ascertained at the District Manager's Office. The District Manager shall file proof of such mailing by affidavit with the District Secretary.

Section 3. If any one of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contract to the policy of express law, but not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way effect the validity of the other provisions hereof.

Section 4. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, superseded and repealed.

Section 5. This Resolution shall become effective upon its adoption.

PASSED AND ADOPTED this 14th day of April, 2020.

TERN BAY COMMUNITY DEVELOPMENT DISTRICT

ATTEST:

James P. Ward, Secretary

Russell Smith, Chairman

RESOLUTION NO. 2020-5

A RESOLUTION OF THE BOARD OF SUPERVISORS OF TERN BAY COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$35,000,000 AGGREGATE PRINCIPAL AMOUNT OF TERN BAY COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS, IN ONE OR MORE SERIES, TO PAY ALL OR A PORTION OF THE DESIGN, ACQUISITION, CONSTRUCTION COSTS OF CERTAIN PUBLIC INFRASTRUCTURE IMPROVEMENTS, INCLUDING, BUT NOT LIMITED TO, STORMWATER MANAGEMENT AND CONTROL FACILITIES, INCLUDING, BUT NOT LIMITED TO, RELATED EARTHWORK AND ACQUISITION OF LANDS RELATING THERETO; OFFSITE AND ONSITE ROADWAY IMPROVEMENTS AND IMPACT FEES; OFFSITE AND ONSITE WATER AND WASTEWATER SYSTEMS, INCLUDING CONNECTION CHARGES; LANDSCAPING AND IRRIGATION IN PUBLIC RIGHTS-OF-WAY, ENTRANCE FEATURES; UNDERGROUNDING DIFFERENTIAL COST OF UTILITIES, WETLAND AND WILDLIFE MITIGATION AND ALL RELATED SOFT AND INCIDENTAL COSTS (COLLECTIVELY, THE “PROJECT”), PURSUANT TO CHAPTER 190, FLORIDA STATUTES, AS AMENDED; APPOINTING U.S. BANK NATIONAL ASSOCIATION TO SERVE AS TRUSTEE; APPROVING THE EXECUTION AND DELIVERY OF A MASTER TRUST INDENTURE AND A SUPPLEMENTAL TRUST INDENTURE IN SUBSTANTIALLY THE FORMS ATTACHED HERETO; PROVIDING THAT SUCH BONDS SHALL NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF TERN BAY COMMUNITY DEVELOPMENT DISTRICT (EXCEPT AS OTHERWISE PROVIDED HEREIN), CHARLOTTE COUNTY, FLORIDA, OR OF THE STATE OF FLORIDA OR OF ANY OTHER POLITICAL SUBDIVISION THEREOF, BUT SHALL BE PAYABLE SOLELY FROM SPECIAL ASSESSMENTS ASSESSED AND LEVIED ON THE PROPERTY WITHIN THE DISTRICT BENEFITED BY THE PROJECT AND SUBJECT TO ASSESSMENT; PROVIDING FOR THE JUDICIAL VALIDATION OF SUCH BONDS; AND PROVIDING FOR OTHER RELATED MATTERS.

WHEREAS, Tern Bay Community Development District (the “District”), is a local unit of special-purpose government organized and existing in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the “Act”), created pursuant to the Act and by Rule 42VV-1 F.A.C. duly adopted by the Florida Land and Water Adjudicating Commission effective September 15, 2004;

WHEREAS, the District was created for the purpose of delivering certain community development services and facilities within and outside its jurisdiction, and the District has decided to undertake the design, acquisition, construction costs of certain public infrastructure improvements to be located in or to benefit of developable lands within the District including, but not limited to, stormwater management and control facilities, including, but not limited to, related

earthwork and acquisition of lands relating thereto; offsite and onsite roadway improvements including impact fees; offsite and onsite water and wastewater systems, including connection charges, undergrounding differential cost of electric utilities, irrigation and landscaping in public rights-of-way; entrance features; wetland and wildlife mitigation and related soft and incidental costs, pursuant to the Act (collectively, the “Project”), all as set forth in **Schedule “I”** hereto;

WHEREAS, the District desires to authorize the issuance of not to exceed \$35,000,000 aggregate principal amount of its Tern Bay Community Development District Special Assessment Bonds, in one or more series (collectively, the “Bonds”), in order to pay all or a portion of the design, acquisition and construction costs of the Project;

WHEREAS, the District desires to provide the terms and conditions under which the District will acquire and cause to be constructed the public infrastructure improvements on District lands and certain adjacent lands the improvement of which will specially benefit certain District lands known as Heritage Landing;

WHEREAS, authority is conferred upon the District by the Constitution and laws of the State of Florida, specifically including, but not limited to, Sections 190.011(9), 190.011(14), 190.014, 190.016(1), 190.016(2), 190.016(5), 190.016(8), 190.016(11), 190.016(13), 190.022 and 190.023 of the Act, to issue the Bonds; and

WHEREAS, the District desires to authorize and approve various instruments to be executed and delivered in connection with the Bonds and to provide for the judicial validation of the Bonds pursuant to Section 190.016(12), Florida Statutes.

NOW, THEREFORE, BE IT RESOLVED by Tern Bay Community Development District, as follows:

Section 1. Authorization of Bonds. The District hereby authorizes the issuance of not to exceed \$35,000,000 aggregate principal amount of the Bonds in one or more series to (i) finance all or a portion of the costs of the Project; (ii) fund debt service reserve accounts for each series of bonds so issued; and (iii) pay the costs of issuing the Bonds. Pursuant to Section 190.016(1) of the Act, the Bonds may be issued and delivered by the District in payment of all or a portion of the purchase price of the Project or may be sold at public or private sale.

Section 2. Certain Details of the Bonds. The Bonds and the interest thereon, shall not be deemed to constitute a debt, liability or obligation of the District (except as provided herein), Charlotte County, Florida (the “County”), or of the State of Florida (the “State”), or of any other political subdivision thereof, but shall be payable solely from the Special Assessments (as defined in the form of Indenture hereinafter referred to) levied by the District on property within the District benefited by the Project and subject to assessment, as set forth in the Indenture, and neither the faith and credit nor any taxing power of the District, the City, the County or the State, or of any other political subdivision thereof, is pledged to the payment of the principal of or interest on the Bonds, except for Special Assessments to be assessed and levied by the District to secure and pay the Bonds.

The Bonds shall:

- (i) be issued in one or more series and may be delivered in payment of the purchase price of the Project or sold at public or private sale, as provided in Section 190.016(1), Florida Statutes, each series in an aggregate principal amount to be determined by subsequent resolution or resolutions of the District; provided, however, that the total aggregate principal amount of the Bonds issued may not exceed \$35,000,000 unless this Resolution is amended prior to the validation of the Bonds authorized herein;
- (ii) be issued in fully registered form in a minimum principal denomination of \$5,000 and any integral multiple of \$5,000 in excess thereof, except as otherwise provided in the herein defined Indenture;
- (iii) bear interest at an average annual rate not exceeding the maximum rate as may then be permitted by the laws of the State as more particularly provided in one or more resolutions adopted by the District prior to the issuance and delivery of the Bonds of any series;
- (iv) the Bonds of each series shall be payable in not more than 30 annual installments of principal; and
- (v) be dated as provided in a resolution adopted by the District prior to the issuance and delivery thereof.

The final maturity date or dates of the Bonds and the interest rate or rates thereon shall be determined, within the foregoing limits, and any optional, mandatory and extraordinary redemption provisions thereof shall be fixed, by the Indenture hereinafter referred to or by one or more resolutions of the District to be adopted prior to the delivery of the Bonds of any series. In other respects, the Bonds shall be in the form, shall be executed and authenticated, shall be subject to replacement and shall be delivered as provided in the Indenture hereinafter referred to, the form of which is set out as composite **Exhibit "A"** attached hereto.

Prior to the issuance and delivery of the Bonds, the District shall have undertaken and, to the extent then required under applicable law, completed all necessary proceedings, including, without limitation, the approval of assessment rolls, the holding of public hearings and the adoption of resolutions in order to levy and collect Special Assessments upon the lands within the District subject to assessment, all as more specifically required and provided for by the Act and Chapters 170, 190 and 197, Florida Statutes, as the same may be amended from time to time, or any successor statutes thereto.

Section 3. Designation of Attesting Members. Each Assistant Secretary of the Board of Supervisors (the "Board") of the District (each individually a "Designated Member") and the Secretary, or any other appointed Assistant Secretary, are hereby designated and authorized on behalf of the Board to attest to the seal of the Board and to the signature of the Chairperson or Vice Chairperson of the Board as they appear on the Bonds, the Indenture and any other documents which may be necessary or helpful in connection with the issuance and delivery of the Bonds and in connection with the application of the proceeds thereof.

Section 4. Authorization of Execution and Delivery of Master Trust Indenture and Supplemental Trust Indenture. The District does hereby authorize and approve the execution by the Chairperson or Vice Chairperson and any Designated Member and the delivery of a Master Trust Indenture and a Supplemental Trust Indenture (collectively, the “Indenture”) for the Bonds, each between the District and the Trustee named in Section 6 of this Resolution. The Indenture shall provide for the security of the Bonds and express the contract between the District and the owners of such Bonds. The Indenture shall be in substantially the forms thereof attached hereto and marked composite **Exhibit “A”** and hereby approved, with such changes therein as are necessary or desirable to reflect the terms of the sale of the Bonds as shall be approved by the Chairperson (or in his or her absence, the Vice Chairperson) executing the same, with such execution to constitute conclusive evidence of such officer’s approval and the District’s approval of any changes therein from the form of Indenture attached hereto.

Section 5. Sale of Bonds. Pursuant to the provisions of Section 190.016(1) of the Act, the Bonds may be delivered in payment of all or a portion of the purchase price of the Project or may be sold at public or private sale after such advertisement, if any, as the Board may deem advisable but not in any event at less than 90 percent of the par value thereof, together with accrued interest thereon, in conformance with the provisions of the Act.

Section 6. Appointment of Trustee. The District hereby appoints U.S. Bank National Association to act as trustee under the Indenture (the “Trustee”). The Trustee shall also serve as the Paying Agent and Registrar under the Indenture.

Section 7. Bond Validation. District Counsel and Bond Counsel to the District are hereby authorized and directed to take appropriate proceedings in the Circuit Court of the Twentieth Judicial Circuit of Florida, in and for Charlotte County, Florida, for validation and the proceedings incident thereto for the Bonds to the extent required by and in accordance with Section 190.016(12), Florida Statutes. The Chairperson, Vice Chairperson or any Designated Member is authorized to sign any pleadings and to offer testimony in any such proceedings for and on behalf of the District. The other members of the Board, the officers of the District and the agents and employees of the District, including, without limitation, the District Manager, the engineer or engineering firm serving as engineer to the District and the District’s underwriter are hereby also authorized to offer testimony for and on behalf of the District in connection with any such validation proceedings.

Section 8. Further Official Action; Ratification of Prior and Subsequent Acts. The Chairperson, the Vice Chairperson, the Secretary and each Designated Member and any other proper official of the District are each hereby authorized and directed to execute and deliver any and all documents and instruments (including, without limitation, any documents required by the Trustee to evidence its rights and obligations with respect to the Bonds, any documents required in connection with implementation of a book-entry system of registration, any funding agreements, acquisition agreements, true-up agreements and/or completion agreements with the Developer (as such term is defined in the Indenture), and investment agreements relating to the investment of the proceeds of the Bonds and any agreements in connection with maintaining the exclusion of interest on the Bonds from gross income of the holders thereof) and to do and cause to be done any and all acts and things necessary or desirable for carrying out the transactions contemplated by this Resolution. In the event that the Chairperson or the Secretary is unable to execute and deliver the

documents herein contemplated, such documents shall be executed and delivered by the respective designee of such officer or official or any other duly authorized officer or official of the District. The Secretary or any Designated Member is hereby authorized and directed to apply and attest the official seal of the District to any agreement or instrument authorized or approved herein that requires such a seal and attestation. All of the acts and doings of such members of the Board, the officers of the District, and the agents and employees of the District, which are in conformity with the intent and purposes of this resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved.

Section 9. Bond Anticipation Notes. The District may, if it determines it to be in its best financial interest, issue Bond Anticipation Notes (“BANs”) in order to temporarily finance the costs of all or a portion of the Project. The District shall by proper proceedings authorize the issuance and establish the details of such BANs pursuant to the provisions of Section 190.014, Florida Statutes, as amended other applicable provisions of laws.

Section 10. Subsequent Resolution(s) Required. Notwithstanding anything to the contrary contained herein, no series of Bonds may be issued or delivered until the District adopts a subsequent resolution and/or supplemental indenture for each such series of Bonds, fixing the details of such series of Bonds remaining to be specified or delegating to the Chairperson, the Vice Chairperson or a Designated Member the authority to fix such details.

Section 11. Severability. If any section, paragraph, clause or provision of this resolution shall be held to be invalid or ineffective for any reason, the remainder of this resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.

Section 12. Effective Date. This resolution shall take effect immediately upon its adoption, and any provisions of any previous resolutions in conflict with the provisions hereof are hereby superseded.

PASSED in Public Session of the Board of Supervisors of Tern Bay Community Development District, this ____ day of April, 2020.

**TERN BAY COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Name: _____
Title: Chairperson, Board of Supervisors

By: _____
Name: _____
Title: Secretary, Board of Supervisors

SCHEDULE I

DESCRIPTION OF A PROJECT

A Project may include, but is not limited to, the following improvements:

- Stormwater management and control facilities, including, but not limited to, related earthwork and acquisition of lands relating thereto;
- Offsite and onsite water and wastewater systems, including connection charges;
- Offsite and onsite roadway improvements and impact fees;
- Undergrounding differential cost of electric utilities;
- Irrigation and landscaping in public rights-of-way;
- Entrance feature;
- Wetland and wildlife mitigation; and
- Related soft and incidental costs.

EXHIBIT A
FORM OF MASTER TRUST INDENTURE
AND
SUPPLEMENTAL TRUST INDENTURE

49769472v3/190371.010100

MASTER TRUST INDENTURE

between

TERN BAY COMMUNITY DEVELOPMENT DISTRICT

and

U.S. BANK NATIONAL ASSOCIATION

As Trustee

Dated as of _____ 1, 2020

relating to

TERN BAY COMMUNITY DEVELOPMENT DISTRICT

SPECIAL ASSESSMENT BONDS

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THIS MASTER TRUST INDENTURE, dated as of _____ 1, 2020 (the “Master Indenture”), by and between TERN BAY COMMUNITY DEVELOPMENT DISTRICT (together with its permitted successors and assigns, the “Issuer”), a local unit of special-purpose government organized and existing under the laws of the State of Florida, 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 (said national banking association and any bank or trust company becoming successor trustee under this Master Indenture and all Supplemental Indentures (as hereinafter defined) being hereinafter referred to as the “Trustee”);

W I T N E S S E T H:

WHEREAS, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the “Act”), created pursuant to the Act and by Rule 42VV-1 F.A.C. duly adopted by the Florida Land and Water Adjudicating Commission effective September 15, 2004, for the purpose, among other things, of financing and managing the acquisition and construction, maintenance, and operation of the major infrastructure within and without the boundaries of the premises to be governed by the Issuer; and

WHEREAS, the premises governed by the Issuer (as further described in Exhibit A hereto, the “District” or “District Lands”) currently consist of approximately 1,778 acres of land located entirely within the unincorporated area of Charlotte County, Florida (the “County”); and

WHEREAS, the Issuer has determined to undertake, in one or more stages, the acquisition and construction of certain public infrastructure pursuant to the Act for the special benefit of the District Lands (as further described in Exhibit B hereto, the “Project”); and

WHEREAS, the Issuer proposes to finance the cost of acquisition and construction of the Project by the issuance of one or more series of Bonds pursuant to this Master Indenture;

NOW, THEREFORE, THIS MASTER INDENTURE WITNESSETH, that to provide for the issuance of Bonds (as hereinafter defined) under this Master Indenture, as supplemented from time to time by one or more Supplemental Indentures (as hereinafter defined), the security and payment of the principal, redemption or purchase price thereof (as the case may be) and interest thereon, any reimbursement due to a Credit Facility Issuer (hereinafter defined), if any, for any drawing on its Credit Facility (hereinafter defined), as required under the terms of the corresponding Credit Facility Agreement (hereinafter defined), the rights of the Owners of the Bonds of a Series (as hereinafter defined) and the performance and observance of all of the covenants contained herein and in said Bonds and in any Credit Facility Agreement for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Bonds of a Series by the Owners thereof, from time to time, the issuance by any Credit Facility Issuer of its Credit Facility, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer hereby assigns, transfers, sets over and pledges to the Trustee and grants a lien on all of the right, title and interest of the Issuer in and to the Pledged Revenues (hereinafter defined) as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on Bonds of a Series issued

hereunder and any reimbursement due to any Credit Facility Issuer for any drawing on its Credit Facility issued with respect to any such Bonds, as required under the terms of the corresponding Credit Facility Agreement, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

ARTICLE I DEFINITIONS

In this Master Indenture and any indenture supplemental hereto (except as otherwise expressly provided or unless the context otherwise requires) terms defined in the recitals hereto shall have the same meaning throughout this Master Indenture and all Supplemental Indentures, and in addition, the following terms shall have the meanings specified below:

“Account” shall mean any account established pursuant to this Master Indenture and all Supplemental Indentures.

“Acquisition Agreement” shall mean one or more improvement acquisition agreements between the Issuer and the Developer, pursuant to which the Developer agrees to provide, design, construct and sell to the Issuer, and the Issuer agrees to purchase from the Developer, all or a portion of a Project.

“Act” shall mean the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended from time to time, and any successor statute thereto.

“Annual Budget” shall mean the Issuer’s budget of current operating and maintenance expenses for the Project for a Fiscal Year, as the same may be amended from time to time, adopted in accordance with the provisions hereof.

“Arbitrage Certificate” shall mean the certificate of the Issuer delivered at the time of issuance of a Series of Bonds setting forth the expectations of the Issuer with respect to the use of the proceeds of such Series and also containing certain covenants of the Issuer in order to achieve compliance with the Code relating to the tax-status of the Bonds.

“Assessment Areas” shall mean distinct areas within the District Lands identified by the Developer that will be developed by the Developer in Phases. The Issuer reserves the right to impose separate Special Assessments on each separate Assessment Area.

“Authorized Denomination” shall mean, unless provided otherwise in a Supplemental Indenture with respect to a Series of Bonds, with respect to each Series of Bonds, a denomination of \$5,000 and integral multiples of \$5,000 in excess thereof.

“Authorized Newspaper” shall mean a newspaper printed in English and customarily published at least once a day at least five (5) days a week and generally circulated in New York, New York, or such other cities as the Issuer from time to time may determine by written notice provided to the Trustee. When successive publications in an Authorized Newspaper are required, they may be made in the same or different Authorized Newspapers.

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

“Board” shall mean the Board of Supervisors of the Issuer.

“Bond Counsel” shall mean Counsel of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on obligations issued by states and their political subdivisions.

“Bond Redemption Fund” shall mean the Fund so designated which is established pursuant to Section 6.06 hereof.

“Bond Register” shall have the meaning specified in Section 2.04 of this Master Indenture.

“Bondholder,” “Holder of Bonds,” “Holder,” “Bondowner,” “Registered Owner” or “Owner” or any similar term shall mean any Person or Persons who shall be the registered owner of any Outstanding Bond or Bonds, as evidenced on the Bond Register of the Issuer kept by the Registrar.

“Bonds” shall mean the Tern Bay Community Development District Special Assessment Bonds, issued in one or more Series pursuant to the provisions of this Master Indenture and bonds subsequently issued to refund all or a portion of such aforementioned Bonds. If the Issuer determines to issue bond anticipation notes to be secured in whole or in part by a lien on the net proceeds of Bonds to be issued under this Master Indenture, the term “Bonds” shall apply to such short-term notes but only to the extent the Supplemental Indenture relating to such bond anticipation notes so provides.

“Business Day” shall mean any day other than a Saturday or Sunday or legal holiday or a day on which the office of the Issuer, or corporate office of the Trustee, the Registrar or any Paying Agent is closed, or a day on which the New York Stock Exchange is closed.

“Certified Public Accountant” shall mean a Person, who shall be Independent, appointed by the Board, actively engaged in the business of public accounting and duly certified as a certified public accountant under the laws of the State.

“Certified Resolution” or “Certified Resolution of the Issuer” shall mean a copy of one or more resolutions certified by the Secretary or an Assistant Secretary of the Issuer, under its seal, to have been duly adopted by the Board and to be in full force and effect as of the date of such certification.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and the applicable United States Treasury Department regulations promulgated thereunder.

“Completion Date” shall have the meaning given to such term in Section 5.01 of this Master Indenture.

“Consultant” shall mean a Person, who shall be Independent, appointed by the Board, qualified to pass upon questions relating to municipal entities and having a favorable reputation for skill and experience in the financial affairs of municipal entities.

“Consultant’s Certificate” shall mean a certificate or a report prepared in accordance with then applicable professional standards duly executed by a Consultant.

“Consulting Engineer” shall mean the Independent engineer or engineering firm or corporation at the time employed by the Issuer under the provisions of Section 9.21 of this Master Indenture to perform and carry out duties imposed on the Consulting Engineer by this Master Indenture and any Supplemental Indentures. The Independent engineer or engineering firm or corporation at the time serving as the engineer to the Issuer may serve as Consulting Engineer under this Master Indenture and any Supplemental Indentures.

“Continuing Disclosure Agreement” shall mean a Continuing Disclosure Agreement, by and among the Issuer, the dissemination agent named therein and the Developer, and any other obligated party under the Rule, in connection with the issuance of one or more Series of Bonds hereunder, pursuant to the requirements of the Rule.

“Cost” or “Costs,” in connection with the Project or any portion thereof, shall mean all expenses which are properly chargeable thereto under Generally Accepted Accounting Principles or which are incidental to the planning, financing, acquisition, construction, reconstruction, equipping and installation thereof, including, without limiting the generality of the foregoing:

- (a) expenses of determining the feasibility or practicability of acquisition, construction, or reconstruction of the Project;
- (b) cost of surveys, estimates, plans, and specifications;
- (c) cost of improvements;
- (d) engineering, architectural, fiscal, legal, accounting and other professional and advisory expenses and charges;
- (e) cost of all labor, materials, machinery, and equipment (including, without limitation, (i) amounts payable to contractors, builders and materialmen and costs incident to the award of contracts and (ii) the cost of labor, facilities and services furnished by the Issuer and its employees, materials and supplies purchased by the Issuer and permits and licenses obtained by the Issuer);
- (f) cost of all lands, properties, rights, easements, and franchises acquired;
- (g) financing charges;
- (h) creation of initial reserve and debt service funds;
- (i) working capital;

(j) interest charges incurred or estimated to be incurred on money borrowed prior to and during construction and acquisition and for such reasonable period of time after completion of construction or acquisition as the Board may determine and as approved by Bond Counsel;

(k) the cost of issuance of Bonds, including, without limitation, advertisements and printing;

(l) the cost of any election held pursuant to the Act and all other expenses of issuance of bonds;

(m) the discount, if any, on the sale or exchange of Bonds;

(n) amounts required to repay temporary or bond anticipation loans made to finance any costs permitted under the Act;

(o) costs of prior improvements performed by the Issuer in anticipation of the Project;

(p) costs incurred to enforce remedies against contractors, subcontractors, any provider of labor, material, services, or any other Person, for a default or breach under the corresponding contract, or in connection with any other dispute;

(q) premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same;

(r) payments, contributions, dedications, and any other exactions required as a condition to receive any government approval or permit necessary to accomplish any District purpose;

(s) administrative expenses;

(t) taxes, assessments and similar governmental charges during construction or reconstruction of the Project;

(u) expenses of Project management and supervision;

(v) costs of effecting compliance with any and all governmental permits relating to the Project;

(w) such other expenses as may be necessary or incidental to the acquisition, construction, or reconstruction of the Project or to the financing thereof; and

(x) any other “cost” or expense as provided by the Act.

In connection with the refunding or redeeming of any Bonds, “Cost” includes, without limiting the generality of the foregoing, the items listed in (d), (k), (l) and (m) above, and other expenses related

to the redemption of the Bonds to be redeemed and the Redemption Price of such Bonds (and the accrued interest payable on redemption to the extent not otherwise provided for). Whenever Costs are required to be itemized, such itemization shall, to the extent practicable, correspond with the items listed above. Whenever Costs are to be paid hereunder, such payment may be made by way of reimbursement to the Issuer or any other Person who has paid the same in addition to direct payment of Costs.

“Counsel” shall mean an attorney-at-law or law firm (who may be counsel for the Issuer) not unsatisfactory to the Trustee.

“County” shall mean Charlotte County, Florida.

“Credit Facility” shall mean any credit enhancement mechanism such as an irrevocable letter of credit, a surety bond, a policy of municipal bond insurance, a corporate or other guaranty, a purchase agreement, a credit agreement or deficiency agreement or other similar facility applicable to the Bonds, as established pursuant to a Supplemental Indenture, pursuant to which the entity providing such facility agrees to provide funds to make payment of the principal of and interest on the Bonds. Notwithstanding anything to the contrary contained in this Master Indenture, the Bonds may be issued without a Credit Facility; the decision to provide a Credit Facility in respect of any Bonds shall be within the absolute discretion of the Board.

“Credit Facility Agreement” shall mean any agreement pursuant to which a Credit Facility Issuer issues a Credit Facility.

“Credit Facility Issuer” shall mean the issuer or guarantor of any Credit Facility.

“Debt Service Fund” shall mean the Fund so designated which is established pursuant to Section 6.04 hereof.

“Debt Service Requirements,” with reference to a specified period, shall mean:

(a) interest payable on the Bonds during such period, subject to reduction for amounts held as capitalized interest in the Funds and Accounts established under this Master Indenture and any Supplemental Indentures; and

(b) amounts required to be paid into any mandatory sinking fund account with respect to the Bonds during such period; and

(c) amounts required to pay the principal of the Bonds maturing during such period and not to be redeemed prior to or at maturity through any sinking fund account.

For any Bonds that bear interest at a variable rate, the interest payable for a specified period shall be determined as if such Bonds bear interest at the maximum rate provided for in the applicable Supplemental Indenture and if no maximum rate is provided for in the Supplemental Indenture, the maximum rate shall be 10.00% per annum.

“Debt Service Reserve Fund” shall mean the Fund so designated which is established pursuant to Section 6.05 hereof.

“Debt Service Reserve Requirement” shall mean, for each Series of Bonds, unless a different requirement shall be specified in a Supplemental Indenture, an amount equal to the lesser of (i) the maximum annual Debt Service Requirements for the Outstanding Bonds of such Series, (ii) 125% of the average annual Debt Service Requirements for the Outstanding Bonds of such Series, and (iii) 10% of the original proceeds (within the meaning of the Code) of the Bonds of such Series.

“Defeasance Securities” shall mean, to the extent permitted by law, (a) cash, or (b) non-callable Government Obligations.

“Developer” shall mean the entities identified to the Issuer, as the master developers of all or a portion of the District Lands and any affiliates or any other entities which succeed to all or any part of the interests and assumes any or all of the responsibilities of such entities, as the master developer of all or a portion of the District Lands.

“Developer Funding Agreement” shall mean, if applicable, one or more developer capital funding agreements between the Issuer and the Developer, pursuant to which the Developer agrees to advance moneys, from time to time, to the Issuer for deposit into the appropriate Account of the Acquisition and Construction Fund, so that there are sufficient moneys on deposit therein (taking into account proceeds from the applicable Series of Bonds) to complete the Project. Any obligation on the part of the Issuer to repay such advances made by the Developer shall be subordinate to the payment of the Bonds.

“District Lands” or “District” shall mean the premises governed by the Issuer, consisting of approximately 1,778 acres of land located entirely within the unincorporated area of the County, as more fully described in Exhibit A hereto.

“District Manager” shall mean the then District Manager or acting District Manager of the Issuer.

“Event of Default” shall mean any of the events described in Section 10.01 hereof.

“Fiscal Year” shall mean the period of twelve (12) months beginning October of each calendar year and ending on September 30 of the following calendar year, and also shall mean the period from actual execution hereof to and including the next succeeding September 30; or such other consecutive twelve-month period as may hereafter be established pursuant to a Certified Resolution as the fiscal year of the Issuer for budgeting and accounting purposes as authorized by law.

“Fitch” shall mean Fitch Ratings, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer and acceptable to the Trustee.

“Fund” shall mean any fund established pursuant to this Master Indenture.

“Generally Accepted Accounting Principles” shall mean those accounting principles applicable in the preparation of financial statements of municipalities.

“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.

“Indenture” shall mean, with respect to any Series of Bonds, this Master Indenture as supplemented by the Supplemental Indenture pursuant to which such Series of Bonds is issued.

“Independent” shall mean a Person who is not a member of the Issuer’s Board, an officer or employee of the Issuer or Developer, or which is not a partnership, corporation or association having a partner, director, officer, member or substantial stockholder who is a member of the Issuer’s Board, or an officer or employee of the Issuer; provided, however, that the fact that such Person is retained regularly by or regularly transacts business with the Issuer or Developer shall not make such Person an employee within the meaning of this definition.

“Interest Account” shall mean the Account so designated, established as a separate account within the Debt Service Fund pursuant to Section 6.04 hereof.

“Interest Payment Date” shall mean, unless otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, each May 1 and November 1 commencing on the date specified in the Certified Resolution of the Issuer or in the Supplemental Indenture pursuant to which a Series of Bonds is issued.

“Interest Period” shall mean the period from and including any Interest Payment Date to and excluding the next succeeding Interest Payment Date; provided, however, that upon final payment of any Bond at maturity or upon redemption or mandatory purchase, the Interest Period shall extend to, but not include, the date of such final payment, which shall always be a Business Day.

“Investment Securities” shall mean and include any of the following securities:

- (i) Government Obligations;
- (ii) obligations of any of the following agencies: Government National Mortgage Association (including participation certificates issued by such association); Fannie Mae (including participation certificates issued by such entity); Federal Home Loan Banks; Federal Farm Credit Banks; Tennessee Valley Authority; Farmers Home Administration; Student Loan Marketing Association; Federal Home Loan Mortgage Corporation, or other similar governmental sponsored entities;
- (iii) Money market deposit accounts, time deposits, and certificates of deposits issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are rated, at the time of purchase, in one of the two highest rating categories, without regard to gradation, by Moody’s and S & P;

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

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

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

(vi) 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 by Aa2 or better by Moody's and AA or better by S&P or Fitch, respectively (if the term of such agreement is more than 365 days) or is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation of the aforesaid ratings, provided:

1) interest is paid on any date interest is due on the Bonds (not more frequently than quarterly) at a fixed rate (subject to adjustments for yield restrictions required by the Code) during the entire term of the agreement;

2) moneys invested thereunder may be withdrawn without penalty, premium, or charge upon not more than two (2) days' notice unless otherwise specified in a Supplemental Indenture;

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

4) the Trustee receives an opinion of Counsel that such agreement is an enforceable obligation of such insurance company, bank, financial institution or parent;

5) in the event of a suspension, withdrawal, or downgrade below Aa3, AA- or AA- by Moody's, S&P or Fitch, respectively, the provider shall notify the Trustee within five (5) Business Days of such downgrade event and the provider shall at its option, within ten (10) Business Days after notice is given to the Trustee take any one of the following actions:

6) collateralize the agreement at levels, sufficient to maintain an "AA" rated investment from S&P or Fitch and an "Aa2" from Moody's with a market to market approach, or

7) assign the agreement to another provider, as long as the minimum rating criteria of "AA" rated investment from S&P or Fitch and an "Aa2" from Moody's with a market to market approach; or

8) have the agreement guaranteed by a provider which results in a minimum rating criteria of an "AA" rated investment from S&P or Fitch and an "Aa2" from Moody's with a market to market approach; or

9) repay all amounts due and owing under the agreement.

In the event the provider has not satisfied any one of the above condition within three (3) days of the date such conditions apply, then the agreement shall provide that the Trustee shall be entitled to withdraw the entire amount invested plus accrued interest without penalty or premium.

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

(viii) negotiable or non-negotiable certificates of deposit, savings accounts, deposit accounts, money market deposits or banking arrangements issued by or with any financial institution subject to state or federal regulation provided that the full principal amount is insured by the Federal Deposit Insurance Corporation ("FDIC") (including the FDIC's Savings Association Insurance Fund), including the Trustee or its affiliates, which have a rating on their short-term certificates of deposit on the date of purchase in one of the three highest short-term Rating Categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any Rating Agency and which mature not more than 360 days after the date of purchase; and

(ix) other investments permitted by Florida law and directed by the Issuer.

Under all circumstances, the Trustee shall be entitled to request and to receive from the Issuer and conclusively rely upon as accurate, an Officer's Certificate setting forth that any investment directed by the Issuer is permitted under the Indenture and a legal investment for funds of the Issuer.

"Issuer" shall mean the Tern Bay Community Development District.

“Major Non-Recurring Expense” shall mean the cost of major replacement or reconstruction of the Project, or any part thereof, the cost of major repairs, renewals or replacements, the provision of a reserve for the payment of insurance premiums not due on an annual or more frequent basis, and the cost of studies, surveys, estimates and investigations in connection with any of the foregoing.

“Majority Holders” shall mean the beneficial owners of more than fifty percent (50%) of the applicable Series of Outstanding Bonds.

“Master Indenture” shall mean, this Master Trust Indenture dated as of _____ 1, 2020 by and between the Issuer and the Trustee, as amended and or supplemented in accordance with the provisions of Article XIII hereof.

“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 shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer and acceptable to the Trustee.

“Officers’ Certificate” or “Officer’s Certificate” shall mean a certificate, duly executed by a Responsible Officer and delivered to the Trustee.

“Outstanding,” in connection with a Series of Bonds, shall mean, as of the time in question, all Bonds of such Series authenticated and delivered under the Indenture, except:

(a) all Bonds theretofore cancelled or required to be cancelled under Section 2.07 hereof;

(b) Bonds for the payment, redemption or purchase of which moneys and/or Defeasance Securities, the principal of and interest on which, when due, will provide sufficient moneys to fully pay such Bonds in accordance with Article XIV hereof, shall have been or shall concurrently be deposited with the Trustee; provided that, if such Bonds are being redeemed, the required notice of redemption shall have been given or provision shall have been made therefor, and that if such Bonds are being purchased, there shall be a firm commitment for the purchase and sale thereof; and

(c) Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to Article II hereof.

In determining whether the Holders of a requisite aggregate principal amount of Bonds Outstanding of a Series have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of the Indenture, Bonds of such Series which are known by the Trustee to be held by or on behalf of the Issuer shall be disregarded for the purpose of any such determination, unless all of the Bonds of such Series are held by or on behalf of the Issuer; provided, however, this provision does not affect the right of the Trustee to deal in Bonds as set forth in Section 11.09 hereof.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Paying Agent” shall mean initially, U.S. Bank National Association and thereafter any successor thereto appointed in accordance with Section 11.20 of this Master Indenture.

“Person” shall mean any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, governmental body, political subdivision, municipality, municipal authority or any other group or organization of individuals.

“Pledged Revenues” shall mean, unless otherwise provided by Supplemental Indenture with respect to a Series of Bonds, with respect to each Series of Bonds Outstanding, (a) all revenues received by the Issuer from Special Assessments levied and collected on all or a portion of the District Lands with respect to the Project or portion thereof financed by such Series of Bonds, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Special Assessments or from the issuance and sale of tax certificates with respect to such Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture allocated to such Series of Bonds; provided, however, that Pledged Revenues shall not include (i) any moneys transferred to the Rebate Fund, or investment earnings thereon and (ii) “special assessments” levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or “maintenance special assessments” levied and collected by the Issuer under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (i) and (ii) of this provision).

“Prepayment” shall mean the payment by any owner of Property of the amount of Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date. A landowner may make a Prepayment in kind pursuant to the provisions of Section 9.08 hereof.

“Project” shall mean with respect to any Series of Bonds, the design, acquisition, construction equipping and/or improvement of certain public infrastructure consisting of, but not limited to, sanitary sewer systems, water distribution systems, storm water management facilities; roadway improvements; acquisition of certain interests in lands; undergrounding differential costs, landscaping and irrigation in public rights-of-way, wetland and wildlife mitigation, entrance features and related incidental costs, all as more specifically described in the Supplemental Indenture relating to such Series of Bonds; provided that the Project shall specially benefit all of the District Lands on which Special Assessments to secure such Series of Bonds have been levied.

“Project Documents” shall mean all permits, drawings, plans and specifications, contracts and other instruments and rights relating to a Project and a development assigned by the Developer to the Issuer pursuant to a collateral assignment.

“Property Appraiser” shall mean the property appraiser of the County.

“Property Appraiser and Tax Collector Agreement” shall mean the Property Appraiser and Tax Collector Agreement described in Section 9.04 hereof.

“Rebate Fund” shall mean the Fund so designated, which is established pursuant to Section 6.11 of this Master Indenture.

“Record Date” shall mean, as the case may be, the applicable Regular or Special Record Date.

“Redemption Price” shall mean the principal amount of any Bond of a Series plus the applicable premium, if any, payable upon redemption thereof pursuant to the Indenture.

“Registrar” shall mean initially U.S. Bank National Association, which entity shall have the responsibilities set forth in Section 2.04 of this Master Indenture, and thereafter any successor thereto appointed in accordance with Section 11.20 of this Master Indenture.

“Regular Record Date” shall mean the fifteenth day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date.

“Regulatory Body” shall mean and include (a) the United States of America and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the United States of America, (b) the State, any political subdivision thereof and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the State, (c) the County and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the County, and (d) any other public body, whether federal, state or local or otherwise having regulatory jurisdiction and authority over the Issuer.

“Responsible Officer” shall mean any member of the Board or any other officer of the Issuer, including the Secretary or other person designated by Certified Resolution of the Issuer, a copy of which shall be on file with the Trustee, to act for any of the foregoing, either generally or with respect to the execution of any particular document or other specific matter.

“Revenue Fund” shall mean the Fund so designated which is established pursuant to Section 6.03 hereof.

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

“S&P” shall mean S&P Global Ratings, a division of S&P Global Inc., and its successors and assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“Series” shall mean all of the Bonds authenticated and delivered at one time on original issuance and pursuant to any Certified Resolution of the Issuer authorizing such Bonds as a separate Series of Bonds, or any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article II hereof and the applicable 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 Issuer upon original issuance. Two or more Series or sub-Series of Bonds may be issued simultaneously under separate Supplemental Indentures, but under this Master Indenture. As may be provided by subsequent proceedings of the Issuer, one or more Series of Bonds or sub-Series Bonds, whether issued at the same time or not, may be separately secured by Special Assessments imposed pursuant to separate assessment proceedings. Such Bonds or sub-Series of Bonds which are secured by separate Special Assessments will not be issued as parity bonds even if issued at the same time.

“Sinking Fund Account” shall mean the Account so designated, established as a separate account within the Debt Service Fund pursuant to Section 6.04 hereof.

“Special Assessments” shall mean (a) the net proceeds derived from the levy and collection of “special assessments,” as provided for in Sections 190.011(14) and 190.022 of the Act against District Lands that are subject to assessment as a result of a particular Project or any portion thereof or against one or more identified Assessment Areas, and (b) the net proceeds derived from the levy and collection of “benefit special assessments,” as provided for in Section 190.021(2) of the Act, against the lands within the District that are subject to assessment as a result of a particular Project or any portion thereof, and in the case of both “special assessments” and “benefit special assessments,” including the interest and penalties on such assessments, pursuant to all applicable provisions of the Act and Chapter 170, Florida Statutes, and Chapter 197, Florida Statutes (and any successor statutes thereto), including, without limitation, any amount received from any foreclosure proceeding for the enforcement of collection of such assessments or from the issuance and sale of tax certificates with respect to such assessments, less (to the extent applicable) the fees and costs of collection thereof payable to the Tax Collector and less certain administrative costs payable to the Property Appraiser pursuant to the Property Appraiser and Tax Collector Agreement. “Special Assessments” shall not include “special assessments” levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or “maintenance special assessments” levied and collected by the Issuer under Section 190.021(3) of the Act.

“Special Record Date” shall mean such date as shall be fixed for the payment of defaulted interest on the Bonds in accordance with Section 2.01 hereof.

“State” shall mean the State of Florida.

“Supplemental Indenture” and “indenture supplemental hereto” shall mean any indenture amending or supplementing this Master Indenture which may be entered into in accordance with the provisions of this Master Indenture.

“Tax Collector” shall mean the tax collector of the County.

The words “hereof,” “herein,” “hereto,” “hereby,” and “hereunder” (except in the form of Bond), refer to the entire Master Indenture.

Every “request,” “requisition,” “order,” “demand,” “application,” “notice,” “statement,” “certificate,” “consent,” or similar action hereunder by the Issuer shall, unless the form or execution thereof is otherwise specifically provided, be in writing signed by the Responsible Officer of the Issuer.

All words and terms importing the singular number shall, where the context requires, import the plural number and vice versa.

[END OF ARTICLE I]

ARTICLE II THE BONDS

SECTION 2.01. Amounts and Terms of Bonds; Details of Bonds. The Issuer is hereby authorized to issue in one or more Series pursuant to the terms and conditions of this Master Indenture, its obligations to be known as “Tern Bay Community Development District Special Assessment Bonds, Series [to be designated]” (the “Bonds”). The total principal amount of Bonds that may be issued and Outstanding under this Master Indenture shall not be limited, but shall be subject to any conditions set forth in a Supplemental Indenture and Florida law. The Bonds shall be issued in Authorized Denominations and within each Series shall be numbered consecutively from R-1 and upwards in each Series and in substantially the form attached hereto as Exhibit C, with such appropriate variations, omissions and insertions as are permitted or required by this Master Indenture or as otherwise provided in a Supplemental Indenture. All Bonds shall be issued only upon satisfaction of the conditions set forth in Article III hereof; and the Trustee shall, at the Issuer’s request, authenticate such Bonds and deliver them as specified in such request.

Each Bond shall be dated, shall have such Interest Payment Dates, shall bear interest from such date or dates and at such rate or rates until the maturity thereof, payable on such Interest Payment Dates, and shall be stated to mature (subject to the right of prior redemption), all as provided in, or pursuant to, a Supplemental Indenture.

Both the principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender on the respective dates of payment thereof for the payment of public and private debts. Unless otherwise provided in Section 2.11 hereof or in a Supplemental Indenture, the principal of all Bonds shall be payable at the corporate trust office of the Paying Agent upon the presentation and surrender of such Bonds as the same shall become due and payable.

Except to the extent otherwise provided in Section 2.11 hereof or in a Supplemental Indenture, interest on any Bond is payable on any Interest Payment Date by check or draft mailed on the Interest Payment Date to the person in whose name that Bond is registered at the close of business on the Regular Record Date for such Interest Payment Date, at his address as it appears on the Bond Register. The Bonds shall bear interest from the Interest Payment Date next preceding the date on which they are authenticated unless authenticated on an Interest Payment Date in which event they shall bear interest from such Interest Payment Date, or unless authenticated before the first Interest Payment Date in which event they shall bear interest from their date; provided, however, that if a Bond is authenticated between a Record Date and the next succeeding Interest Payment Date, such Bond shall bear interest from such succeeding Interest Payment Date; provided further, however, that if at the time of authentication of any Bond interest thereon is in default, such Bond shall bear interest from the date to which interest has been paid. Any interest on any Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called “Defaulted Interest”) shall be paid to the Owner in whose name the Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to such mailing, at his address as it appears in the Bond Register. The

foregoing notwithstanding, but subject to the procedures set forth in Section 2.11 hereof, any Owner of Bonds of a Series in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Trustee and Paying Agent, upon requesting the same in a writing received by the Trustee and Paying Agent at least fifteen (15) days prior to the relevant Record Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Trustee and Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Trustee and Paying Agent at least fifteen (15) days prior to the relevant Record Date. Unless provided otherwise in a Supplemental Indenture with respect to a Series of Bonds, interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Unless provided otherwise in a Supplemental Indenture with respect to a Series of Bonds, interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by such Bonds on the day before the default occurred.

The Trustee is hereby constituted and appointed as Paying Agent for the Bonds.

SECTION 2.02. Execution. The Bonds shall be executed by the manual or facsimile signature of the Chairperson or Vice Chairperson of the Issuer, and the corporate seal of the Issuer shall appear thereon (which may be in facsimile) and shall be attested by the manual or facsimile signature of its Secretary or Assistant Secretary. Bonds executed as above provided may be issued and shall, upon request of the Issuer, be authenticated by the Trustee, notwithstanding that one or both of the officers of the Issuer whose signatures appear on such Bonds shall have ceased to hold office at the time of issuance or authentication or shall not have held office at the date of the Bonds.

SECTION 2.03. Authentication. No Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, and such authentication shall be proof that the Bondholder is entitled to the benefit of the trust hereby created.

SECTION 2.04. Registration and Registrar. The Trustee is hereby constituted and appointed as the Registrar for the Bonds. The Registrar shall act as registrar and transfer agent for the Bonds. The Issuer shall cause to be kept at an office of the Registrar a register (herein sometimes referred to as the "Bond Register" or "Register") in which, subject to the provisions set forth in Section 2.08 below and such other regulations as the Issuer and Registrar may prescribe, the Issuer shall provide for the registration of the Bonds and for the registration of transfers and exchanges of such Bonds. The Trustee shall notify the Issuer in writing of the specific office location (which may be changed from time to time, upon similar notification) at which the Bond Register is kept. The Bond Registrar shall initially be kept at the Trustee's corporate trust office in Fort Lauderdale, Florida

SECTION 2.05. Mutilated, Destroyed, Lost or Stolen Bonds. If any Bond shall become mutilated, the Issuer shall execute and the Trustee shall thereupon authenticate and deliver a new Bond of like Series, tenor and denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of such mutilated Bond for cancellation, and the Issuer and the Trustee may require reasonable indemnity therefor. If any Bond shall be reported lost, stolen or destroyed, evidence as to the ownership and the loss, theft or destruction thereof

shall be submitted to the Issuer and the Trustee; and if such evidence shall be satisfactory to both and indemnity satisfactory to both shall be given, the Issuer shall execute, and thereupon the Trustee shall authenticate and deliver a new Bond of like Series, tenor and denomination. The cost of providing any substitute Bond under the provisions of this Section shall be borne by the Bondholder for whose benefit such substitute Bond is provided. If any such mutilated, lost, stolen or destroyed Bond shall have matured or be about to mature, the Issuer may, with the consent of the Trustee, pay to the Owner the principal amount of and accrued interest on such Bond upon the maturity thereof and compliance with the aforesaid conditions by such Owner, without the issuance of a substitute Bond therefor.

Every substituted Bond issued pursuant to this Section 2.05 shall constitute an additional contractual obligation of the Issuer, whether or not the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Master Indenture and applicable Supplemental Indenture equally and proportionately with any and all other Bonds of such same Series duly issued hereunder and under such Supplemental Indenture.

All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies with respect to the replacement or payment of negotiable instruments, investments or other securities without their surrender.

SECTION 2.06. Temporary Bonds. Pending preparation of definitive Bonds, or by agreement with the original purchasers of all Bonds, the Issuer may issue and, upon its request, the Trustee shall authenticate in lieu of definitive Bonds one or more temporary printed or typewritten Bonds of substantially the tenor recited above. Upon request of the Issuer, the Trustee shall authenticate definitive Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Bonds shall have the same rights, remedies and security hereunder as definitive Bonds. So long as Cede & Co., or any other nominee of DTC is the registered Owner of the Bonds, the definitive Bonds shall be in typewritten form.

SECTION 2.07. Cancellation and Destruction of Surrendered Bonds. All Bonds surrendered for payment or redemption and all Bonds surrendered for exchange shall, at the time of such payment, redemption or exchange, be promptly transferred by the Registrar, Paying Agent to, and cancelled and destroyed by, the Trustee in accordance with its retention policy then in effect.

SECTION 2.08. Registration, Transfer and Exchange. As provided in Section 2.04 hereof, the Issuer shall cause a Bond Register in respect of the Bonds to be kept at the designated office of the Registrar.

Upon surrender for requisition of transfer of any Bond at the designated office of the Registrar, and upon compliance with the conditions for the transfer of Bonds set forth in this Section 2.08, the Issuer shall execute and the Trustee (or Registrar as described in Section 2.03 and Section 2.04 hereof) shall authenticate and deliver, in the name of the designated transferees, one or more new Bonds of a like aggregate principal amount and of the same Series and maturity.

At the option of the Bondholder, Bonds may be exchanged for other Bonds of a like aggregate principal amount and of the same Series and maturity, upon surrender of the Bonds to be exchanged at any such office or agency. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute and the Trustee (or Registrar as described in Section 2.03 and Section 2.04 hereof) shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive.

All Bonds issued upon any transfer or exchange of Bonds shall be valid obligations of the Issuer, evidencing the same debt and entitled to the same benefits under this Master Indenture and applicable Supplemental Indenture as the Bonds of such Series surrendered upon such transfer or exchange.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee, Paying Agent or the Registrar, duly executed by the Bondholder or his attorney duly authorized in writing.

Transfers and exchanges shall be made without charge to the Bondholder, except that the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Neither the Issuer nor the Registrar on behalf of the Issuer shall be required (i) to issue, transfer or exchange any Bond during a period beginning at the opening of business fifteen (15) days before the day of mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Bond so selected for redemption in whole or in part.

SECTION 2.09. Persons Deemed Owners. The Issuer, the Trustee, any Paying Agent, or the Registrar shall deem and treat the person in whose name any Bond is registered as the absolute Owner thereof (whether or not such Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Trustee, any Paying Agent or the Registrar) for the purpose of receiving payment of or on account of the principal or Redemption Price of and interest on such Bond, and for all other purposes, and the Issuer, the Trustee, any Paying Agent, and the Registrar shall not be affected by any notice to the contrary. All such payments so made to any such Owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Bond.

SECTION 2.10. Limitation on Incurrence of Certain Indebtedness. The Issuer will not issue Bonds of any Series, except upon the conditions and in the manner provided or as otherwise permitted in the Indenture, provided that the Issuer may enter into agreements with issuers of Credit Facilities which involve liens on Pledged Revenues on a parity with that of the Bonds or portion thereof which is supported by such Credit Facilities.

SECTION 2.11. Qualification for The Depository Trust Company. To the extent provided in a Supplemental Indenture or authorized and directed by a Resolution of the Issuer authorizing the issuance of a Series of Bonds, the Trustee shall be authorized to enter into agreements with The Depository Trust Company, New York, New York (“DTC”) and other

depository trust companies, including, but not limited to, agreements necessary for wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC, and other depository trust companies in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by DTC and other depository trust companies (or any of their designees identified to the Trustee) by overnight delivery, courier service, telegram, teletype or other similar means of communication.

So long as there shall be maintained a book-entry-only system with respect to a Series of Bonds, the following provisions shall apply:

Unless provided otherwise in a Supplemental Indenture with respect to a Series of Bonds, each Series of Bonds shall initially be registered in the name of Cede & Co. as nominee for DTC, which will act initially as securities depository for the Bonds and so long as the Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes hereof. On original issue, such Bonds shall be deposited with DTC, which shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants (“DTC Participants”) and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (“Indirect Participants”). The DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Bonds (“Beneficial Owners”).

Principal and interest on the Bonds registered in the name of Cede & Co. prior to and at maturity shall be payable directly to Cede & Co. in care of DTC without the need for presentment of such Bonds. Disbursal of such amounts to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Trustee or the Issuer.

The Bonds registered in the name of Cede & Co. shall initially be issued in the form of one fully registered Bond for each maturity of each Series registered in the name of Cede & Co. and shall be held in such form until maturity. Individuals may purchase beneficial interests in Authorized Denominations in book-entry-only form, without certificated Bonds, through DTC Participants and Indirect Participants.

DURING THE PERIOD FOR WHICH CEDE & CO. IS REGISTERED OWNER OF THE BONDS, ANY NOTICES TO BE PROVIDED TO ANY REGISTERED OWNER WILL BE PROVIDED TO CEDE & CO. DTC SHALL BE RESPONSIBLE FOR NOTICES TO DTC PARTICIPANTS AND DTC PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICES TO INDIRECT PARTICIPANTS, AND DTC PARTICIPANTS AND INDIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICES TO BENEFICIAL OWNERS.

The Issuer and the Trustee, if appropriate, shall enter into a blanket letter of representations with DTC providing for such book-entry-only system. Such agreement may be terminated at any time by either DTC or the Issuer. In the event of such termination, the Issuer shall select another securities depository and in that event all references herein to DTC or Cede & Co. shall be deemed to be for reference to its respective successors. If the Issuer does not replace DTC, the Trustee

will register and deliver to the Beneficial Owners replacement Bonds in the form of fully registered Bonds in accordance with the instructions from Cede & Co.

In the event DTC, any successor of DTC or the Issuer elects to discontinue the book-entry only system in conformity with the requirements of DTC, the Trustee shall deliver bond certificates in accordance with the instructions from DTC or its successor and after such time Bonds may be exchanged for an equal aggregate principal amount of Bonds in other Authorized Denominations and of the same maturity and Series upon surrender thereof at the corporate trust office of the Trustee.

[END OF ARTICLE II]

ARTICLE III ISSUE OF BONDS

SECTION 3.01. Issue of Bonds. Subject to the provisions of Section 2.01 hereof, the Issuer may issue one or more Series of Bonds hereunder and under Supplemental Indentures from time to time for the purpose of financing the Cost of acquisition or construction of the Project or to refund all or a portion of a Series of Bonds (and to pay the costs of the issuance of such Bonds and to pay the amounts required to be deposited with respect to such Bonds in the Funds and Accounts established under the Indenture). In connection with the issuance of a Series of Bonds the Trustee shall, at the request of the Issuer, authenticate the Bonds and deliver or cause them to be authenticated and delivered, as specified in the request, but only upon receipt of:

(1) a Certified Resolution of the Issuer (a) approving a Supplemental Indenture under which the Series of Bonds are to be issued; (b) providing the terms of the Bonds and directing the payments to be made into the Funds and Accounts in respect thereof as provided in Article VI hereof; (c) authorizing the execution and delivery of the Series of Bonds to be issued; and (d) if the purpose is to effectuate a refunding, authorizing the redemption, if any, of the Bonds to be refunded and the defeasance thereof, and the execution and delivery of an escrow agreement, if applicable, and other matters contained in Section XIV hereof;

(2) a written opinion or opinions of Counsel to the Issuer, which shall also be addressed to the Trustee to the effect that (a) all conditions prescribed herein as precedent to the issuance of the Bonds have been fulfilled; (b) the Bonds have been validly authorized and executed by the Issuer and when authenticated and delivered pursuant to the request of the Issuer will be valid obligations of the Issuer entitled to the benefit of the trust created hereby and will be enforceable in accordance with their terms except as enforcement thereof may be affected by bankruptcy, reorganization, insolvency, moratorium and other similar laws relating to creditors' rights generally and subject to equitable principles, whether in a proceeding at law or in equity; (c) any consents of any Regulatory Bodies required in connection with the issuance of the Bonds or in connection with the acquisition of the improvements included in the Project have been obtained or can be reasonably expected to be obtained on or prior to the date such consents are required for the Project; (d) if the acquisition of any real property or interest therein is included in the purpose of such issue, (i) the Issuer has or can acquire good and marketable title thereto free from all liens and encumbrances except such as will not materially interfere with the proposed use thereof or (ii) the Issuer has or can acquire a valid, subsisting and enforceable leasehold, easement, right-of-way or other interest in real property sufficient to effectuate the purpose of the issue (which opinion may be stated in reliance on the opinion of other Counsel satisfactory to the signer or on a title insurance policy issued by a reputable title company); (e) the Issuer has good right and lawful authority under the Act to undertake the Project; (f) that the Special Assessment proceedings have been taken in accordance with Florida law and that the Issuer has taken all action necessary to levy and impose the Special Assessments; (g) that the Special Assessments are legal, valid, and binding liens upon the property against which the Special Assessments are made, coequal with the lien of all state, county, district and municipal ad valorem taxes and superior in priority to all other liens, titles and claims against said property then existing or thereafter created, until paid; (h) this

Master Indenture and the applicable Supplemental Indenture has been duly and validly authorized, approved, and executed by the Issuer; (i) the issuance of the Series of Bonds has been duly authorized and approved by the Board; and (j) this Master Indenture and the applicable Supplemental Indenture (assuming due authorization, execution and delivery by the Trustee) constitutes a binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms except as enforcement thereof may be affected by bankruptcy, reorganization, insolvency, moratorium and other similar laws relating to creditors' rights generally and subject to equitable principles, whether in a proceeding at law or in equity (clauses (c) (d) and (e) shall not apply in the case of the issuance of a refunding Series of Bonds).

(3) a Consulting Engineer's certificate addressed to the Issuer and the Trustee setting forth the estimated cost of the Project, and in the case of an acquisition by the Issuer of all or a portion of the Project that has been completed, stating, in the signer's opinion, (a) that the portion of the Project improvements to be acquired from the proceeds of such Bonds have been completed in accordance with the plans and specifications therefor; (b) the Project improvements are constructed in a sound workmanlike manner and in accordance with industry standards; (c) the purchase price to be paid by the Issuer for the Project improvements is no more than the lesser of (i) the fair market value of such improvements and (ii) the actual Cost of construction of such improvements; and (d) the plans and specifications for the Project improvements have been approved by all Regulatory Bodies required to approve them (specifying such Regulatory Bodies) or such approval can reasonably be expected to be obtained; provided, however, that in lieu of the information required in clause (a), there may be delivered to the Trustee satisfactory evidence of the acceptance of operational and maintenance responsibility of each component of the Project by one or more governmental entities (the foregoing shall not be applicable in the case of the issuance of a refunding Series of Bonds). The Consulting Engineer's certificate may incorporate its engineering report by reference to satisfy all or some of the above requirements;

(4) a copy of the Supplemental Indenture for such Bonds, certified by the Secretary or Assistant Secretary of the Issuer as being a true and correct copy thereof;

(5) the proceeds of the sale of such Bonds together with any required equity deposit by the Developer;

(6) any Credit Facility authorized by the Issuer in respect to such Bonds;

(7) one or more Certified Resolutions of the Issuer relating to the levy of Special Assessments in respect of the Project, and evidencing that the Issuer has undertaken and, to the extent then required under applicable law, completed all necessary proceedings, including, without limitation, the approval of assessment rolls, the holding of public hearings, the adoption of resolutions and the establishment of all necessary collection procedures, in order to levy and collect Special Assessments upon the District Lands in an amount sufficient to pay the Debt Service Requirement on the Bonds to be issued;

- (8) an executed opinion of Bond Counsel;
- (9) a written direction of the Issuer to the Trustee to authenticate and deliver such Bonds;
- (10) a copy of a Final Judgment of validation and a Certificate of No Appeal with respect to the Bonds that are subject to validation or an opinion of Counsel to the Issuer that the Bonds are not subject to validation;
- (11) a collateral assignment from the Developer to the Issuer of the Project Documents;
- (12) in the case of the issuance of a refunding Series of Bonds, an Officer's Certificate of the Issuer stating (a) the Bonds to be refunded; (b) any other amounts available for such purpose; (c) that the proceeds of the issue plus the other amounts, if any, stated to be available for the purpose will be sufficient to refund the Bonds to be refunded in accordance with the refunding plan and in compliance with Article XIV of this Master Indenture, including, without limitation, to pay the Costs of issuance of such Bonds, and (d) that notice of redemption, if applicable, of the Bonds to be refunded has been duly given or that provision has been made therefor, as applicable;
- (13) in the case of the issuance of a refunding Series of Bonds, a written opinion of Bond Counsel to the effect that the issuance of such Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Bonds issued pursuant to the Indenture (to the extent that upon original issuance thereof such Bonds were issued as Bonds the interest on which is excludable from gross income for federal income tax purposes); and
- (14) such other documents, certifications and opinions as shall be required by the Supplemental Indenture, by the Participating Underwriter or the initial purchaser of a Series of Bonds or by the Issuer or the Trustee upon advice of counsel.

At the option of the Issuer, any or all of the matters required to be stated in the Certified Resolution described in (1) above may instead be stated in a Supplemental Indenture, duly approved by a Certified Resolution of the Issuer. Execution of a Series of the Bonds by the Issuer shall be conclusive evidence of satisfaction of the conditions precedent set forth in this Article, as to the Issuer.

[END OF ARTICLE III]

ARTICLE IV
ACQUISITION OF PROJECT

SECTION 4.01. Project to Conform to Plans and Specifications; Changes. The Issuer will proceed to complete any Project or portion thereof for which any Series of Bonds is being issued in accordance with the plans and specifications therefor, as such plans and specifications may be amended from time to time, and subject to the specific requirements of the Supplemental Indenture for such Series of Bonds.

SECTION 4.02. Compliance Requirements. The Issuer will comply with all present and future laws, acts, rules, regulations, orders and requirements lawfully made and applicable in fact to any acquisition or construction hereby undertaken and shall obtain all necessary approvals under federal, state and local laws, acts, rules and regulations necessary for the acquisition, completion and operation of any Project or portion thereof for which any Series of Bonds is being issued and shall complete any Project or portion thereof in conformity with such approvals, laws, rules and regulations. Prior to the completion of the Project, in the event that the Developer shall fail to pay, when due, any Special Assessments levied against lands within the District owned by the Developer or any affiliated entity, the Issuer shall immediately take all actions within its control and to the extent it has legally available funds necessary to complete the Project including taking control of the Project Documents.

[END OF ARTICLE IV]

ARTICLE V
ACQUISITION AND CONSTRUCTION FUND

SECTION 5.01. Acquisition and Construction Fund. The Trustee shall establish an Acquisition and Construction Fund into which shall be deposited the proceeds from each Series of Bonds issued under the Indenture (unless otherwise specified herein or in the applicable Supplemental Indenture for a Series of Bonds) and from which Costs may be paid as set forth herein and in the applicable Supplemental Indenture. Unless otherwise specified in the applicable Supplemental Indenture, a separate Series Account shall be established in the Acquisition and Construction Fund with respect to each Series of Bonds issued hereunder and the proceeds of each Series of Bonds (other than Bonds issued to refund all or a portion of the Bonds) shall be deposited into the corresponding Series Account in the Acquisition and Construction Fund. The amounts in any Series Account of the Acquisition and Construction Fund, until applied as hereinafter provided, shall be held for the security of the Series of Bonds hereunder in respect of which such Series Account was established. Separate subaccounts within any Series Account of the Acquisition and Construction Fund shall be maintained by the Trustee in respect of each Series of Bonds upon request of the Issuer whenever, in the opinion of the Issuer, it is appropriate to have a separate accounting in respect of the Costs of any designated portion of the Project including, but not limited to, a costs of issuance subaccount. Payments shall be made from the appropriate Series Account of the Acquisition and Construction Fund to pay any unpaid Costs of Issuance of the Series of Bonds in question, including without limitation, legal, engineering, and consultants' fees and to pay amounts to be reimbursed to the Issuer for Costs advanced, and thereafter to pay Costs of planning, financing, acquisition, construction, reconstruction, equipping and installation of the Project or portion thereof.

(a) *Deposits*. In addition to the deposit of amounts received by the Trustee on the date of issuance of each Series of Bonds, the Issuer shall pay or cause to be paid to the Trustee, for deposit into the Series Account of the Acquisition and Construction Fund, as promptly as practicable, the following amounts:

(i) Payments made to the Issuer from the sale, lease or other disposition of the Project or any portion thereof;

(ii) The balance of insurance proceeds with respect to the loss or destruction of the Project or any portion thereof;

(iii) Deposits made by the Developer pursuant to the terms and provisions of a Developer Funding Agreement; and

(iv) Amounts received from a governmental entity pursuant to an interlocal agreement or other similar agreement between the Issuer and such governmental entity providing for the payment by such governmental entity of a portion of the Costs of the Series Project.

Amounts in the applicable Series Account of the Acquisition and Construction Fund shall be applied to pay the Cost of the Project or a portion thereof, as applicable, pertaining to the Series of Bonds in question; provided, however, that if any amounts remain in the Series Account of the

Acquisition and Construction Fund after the Completion Date (as defined in paragraph (c) below) of the Project or portion thereof pertaining to the Series of Bonds in question, and if such amounts are not reserved for payment of any remaining part of the Cost of the Project, such amounts shall be transferred to the applicable Series Account of the Bond Redemption Fund for application to the redemption of Bonds of the Series to which such proceeds relate, as set forth in Section 6.06 hereof or in the applicable Supplemental Indenture.

(b) *Disbursements.* Unless provided otherwise in a Supplemental Indenture, all payments from the Acquisition and Construction Fund shall be paid in accordance with the provisions of this subsection. Moneys in the appropriate Series Account of 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 this subsection (b). Before any such payment shall be made, the Issuer shall file with the Trustee a fully executed requisition in the form of Exhibit D attached hereto, signed by a Responsible Officer and, except for payments of cost of issuance, a certificate of the Consulting Engineer signed by a consulting engineer also in the form of Exhibit D attached hereto and as may be modified by terms of the related Supplemental Indenture. Upon receipt of each such requisition and accompanying certificate, the Trustee shall promptly withdraw from the appropriate Series Account of the Acquisition and Construction Fund 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. All requisitions and certificates received by the Trustee pursuant to this Section 5.01 shall be retained in the possession of the Trustee, subject at all reasonable times to the inspection of the Issuer, the Consulting Engineer, the Owner of any Bonds, and the agents and representatives thereof. The Trustee shall have no duty to verify that the disbursement of funds pursuant to a requisition is for a purpose for which payment may be made hereunder and the Trustee may conclusively rely that a properly signed requisition is, on its face, sufficient to disburse funds from the Acquisition and Construction Fund.

(c) *Completion of Project.* On the date of completion of the Project or if sufficient moneys are retained in the appropriate Series Account of the Acquisition and Construction Fund, to complete the Cost of the Project, in either case, as evidenced by the delivery to the Trustee of a Certificate of the Consulting Engineer and adoption of a resolution by the Board accepting the Project as provided by Section 170.09, Florida Statutes, as amended (the "Completion Date"), the balance in the appropriate Series Account of the Acquisition and Construction Fund not reserved by the Issuer for the payment of any remaining part of the Cost of the Project shall be transferred by the Trustee to, and deposited in, the applicable Series Account of the Bond Redemption Fund and applied as provided in Section 6.06 hereof and in the applicable Supplemental Indenture.

[END OF ARTICLE V]

ARTICLE VI
SPECIAL ASSESSMENTS;
APPLICATION THEREOF TO FUNDS AND ACCOUNTS

SECTION 6.01. Special Assessments; Lien of Indenture on Pledged Revenues. The Issuer hereby covenants that it shall levy Special Assessments, and, unless provided otherwise with respect to a Series of Bonds, evidence and certify the same to the Tax Collector or shall cause the Property Appraiser to certify the same on the tax roll to the Tax Collector for collection by the Tax Collector and enforcement by the Tax Collector or the Issuer, pursuant to the Act, Chapter 170 or Chapter 197, Florida Statutes, or any successor statutes, as applicable, to the extent and in the amount necessary to pay the Debt Service Requirement on Bonds issued and Outstanding hereunder.

The Issuer shall pay to the Trustee for deposit in the Series Account of the Revenue Fund established under Section 6.03 hereof all Special Assessments received by the Issuer from the levy thereof on the District Lands subject to assessments for the payment of the related Series of Bonds; provided, however, that amounts received as Prepayments of Special Assessments shall be deposited directly into the applicable Series Account within the Bond Redemption Fund established hereunder or in any account thereof established pursuant to the applicable Supplemental Indenture. The Issuer shall notify the Trustee at the time of deposit of any amounts received as Prepayments of Special Assessments and shall identify the related Series of Bonds. If necessary, the Issuer shall direct the landowner making such prepayment to specify what Series of Bonds such prepayments relate.

There are hereby pledged for the payment of the principal or Redemption Price of and interest on all Bonds of each Series issued and Outstanding under the Indenture and all reimbursements due to any Credit Facility Issuer for any drawing with respect to such Series of Bonds on its Credit Facility, including, without limitation, interest thereon, as required under the terms of the applicable Credit Facility Agreement, the Pledged Revenues; provided, however, that unless otherwise specifically provided herein or in a Supplemental Indenture relating to a Series of Bonds with respect to the Pledged Revenues securing such Series of Bonds, the 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 Pledged Revenues shall immediately be subject to the lien and pledge of the Indenture without any physical delivery hereof or further act; provided, however, that the lien and pledge of the Indenture shall not apply to any moneys transferred by the Trustee to the Rebate Fund. The foregoing notwithstanding, to the extent provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds, such Series of Bonds may be made payable from and secured by less than all of the Pledged Revenues, and any one or more of the provisions of this Master Indenture may be made inapplicable to such Series of Bonds, all as more specifically provided in the corresponding Supplemental Indenture; provided, however, that any such provisions shall apply only to the particular Series of Bonds authorized by such Supplemental Indenture and shall not affect in any manner whatsoever any Outstanding Series of Bonds.

SECTION 6.02. Funds and Accounts Relating to the Bonds. The Funds and Accounts specified in this Article VI shall be established under this Master Indenture and each Supplemental Indenture pursuant to which a Series of Bonds is issued for the benefit of the specific

Series of Bonds and any Series issued on a parity therewith and, unless expressly otherwise provided in said Supplemental Indenture, shall not apply to Bonds Outstanding hereunder issued under any other indenture supplemental hereto or if separately secured by separate Special Assessments. Unless provided otherwise by Supplemental Indenture, all moneys, including, without limitation, proceeds of a Series of Bonds, on deposit to the credit of the Funds and Accounts established hereunder and under a Supplemental Indenture (except for moneys transferred to the Rebate Fund) shall be pledged to the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Series of Bonds issued hereunder and under such Supplemental Indenture, and any Series issued on a parity therewith.

SECTION 6.03. Revenue Fund. The Trustee is hereby authorized and directed to establish a Revenue Fund and pursuant to a Supplemental Indenture a Series Account for each Series of Bonds issued hereunder, into which the Trustee shall immediately deposit any and all Special Assessments received from the levy thereof on the District Lands or any portion thereof (other than Prepayments) and any amounts received as the result of any foreclosure, sale of tax certificates or other remedial action for nonpayment of Special Assessments for the payment of the related Series of Bonds and other payments required hereunder or under the applicable Supplemental Indenture (unless such Special Assessments and/or other payments are specifically designated by the Issuer pursuant to a Supplemental Indenture for deposit into the Rebate Fund or any other Fund or Account established hereunder or under a Supplemental Indenture) and each Series Account therein 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. The Trustee shall transfer from amounts on deposit in the Series Account in the Revenue Fund to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority unless other times and/or other priorities are established in a Supplemental Indenture with respect to a Series of Bonds:

FIRST, upon receipt but no later than the Business Day preceding the first May 1 for which there is an insufficient amount from Bond proceeds (or investment earnings thereon) on deposit in the applicable Series Interest Account of the Debt Service Fund to be applied to the payment of interest on the Bonds of a Series due on the next succeeding May 1, and no later than the Business Day next preceding each May 1 thereafter while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Interest Account of the Debt Service Fund, an amount equal to the interest on the related Series of Bonds becoming due on the next succeeding May 1, less any amount on deposit in such Interest Account not previously credited;

SECOND, beginning on the date set forth in the related Supplemental Indenture, and no later than the Business Day next preceding each May 1 or November 1, as designated in the applicable Supplemental Indenture thereafter while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Principal Account of the Debt Service Fund, an amount equal to the principal amount of Bonds of such Series maturing on the next succeeding principal payment date, less any amount on deposit in the applicable Series Principal Account not previously credited;

THIRD, beginning on the date set forth in the related Supplemental Indenture, and no later than the Business Day next preceding each May 1 or November 1, as so designated

in the applicable Supplemental Indenture thereafter while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Bonds of such Series subject to mandatory sinking fund redemption on the next succeeding mandatory sinking fund redemption date, less any amount on deposit in the applicable Series Sinking Fund Account not previously credited;

FOURTH, upon receipt but no later than the Business Day preceding the first November 1 for which there remains an insufficient amount from Bond proceeds (or investment earnings thereon) on deposit in the applicable Series Interest Account to be applied to the payment of interest on the Bonds of a Series due on the next succeeding November 1, and no later than the Business Day next preceding each November 1 thereafter while Bonds of such Series issued under the Indenture remain Outstanding, to the applicable Series Interest Account of the Debt Service Fund, an amount equal to the interest on the Bonds of such Series becoming due on the next succeeding November 1, less any amount on deposit in the applicable Series Interest Account not previously credited;

FIFTH, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Account of the Debt Service Reserve Fund, if any, an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Debt Service Reserve Requirement;

SIXTH, subject to the foregoing paragraph, the balance of any moneys remaining in a Series Account of the Revenue Fund after making the foregoing deposits shall, subject to application by one or more Supplemental Indentures shall remain therein, unless pursuant to any Arbitrage Certificate it is necessary to make a deposit in the Rebate Fund, in which case, the Issuer shall direct the Trustee to make such deposit thereto.

The Trustee shall within ten (10) Business Days after the last Interest Payment Date in any calendar year, at the direction of the Issuer, withdraw any moneys held for the credit of the Revenue Fund which are not otherwise required to be deposited pursuant to this Section and deposit such moneys as directed to the credit of the applicable Series Account of the Bond Redemption Fund in accordance with the provisions hereof. Notwithstanding the foregoing, if pursuant to any Arbitrage Certificate it is necessary to make a deposit in the Rebate Fund, the Issuer shall direct the Trustee to make such deposit thereto. Prepayments pledged to a particular Series of Bonds shall be deposited directly into the applicable Series Account of the Bond Redemption Fund as provided herein.

SECTION 6.04. Debt Service Fund. The Trustee is hereby authorized and directed to establish a Debt Service Fund which shall consist of amounts deposited therein by the Trustee and any other amounts the Issuer may pay to the Trustee for deposit therein with respect to the related Series of Bonds. The Debt Service Fund 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. The Trustee shall establish within the Debt Service Fund pursuant to a Supplemental Indenture, a Series Principal Account, a Series Interest Account and, if applicable, a Series Sinking

Fund Account for each Series of Bonds and a Series Capitalized Interest Account, which accounts shall be separate and apart from all other Funds and Accounts established under the Indenture and from all other moneys of the Trustee.

The Trustee at all times shall make available to any Paying Agent the funds in the Series Principal Account and the Series Interest Account of the Debt Service Fund to pay the principal of the applicable Series of Bonds as they mature upon surrender thereof and the interest on the applicable Series of Bonds as it becomes payable, respectively. When a Series of Bonds is redeemed, the amount, if any, in the Debt Service Fund representing interest thereon shall be applied to the payment of accrued interest in connection with such redemption.

The Trustee shall apply moneys in the Series Sinking Fund Account in the Debt Service Fund for purchase or redemption of the applicable Series of Bonds in amounts and maturities set forth in the Supplemental Indenture. Whenever Bonds of a Series are to be purchased out of such Series Sinking Fund Account, if the Issuer shall notify the Trustee that the Issuer wishes to arrange for such purchase, the Trustee shall comply with the Issuer's arrangements provided they conform to the Indenture.

Except to the extent otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, purchases and redemptions out of the Series Sinking Fund Account shall be made as follows:

(a) The Trustee shall apply the amounts required to be transferred to the Series Sinking Fund Account (less any moneys applied to the purchase of Bonds of the applicable Series pursuant to the next sentence hereof) on the mandatory sinking fund redemption date in each of the years set forth in the Supplemental Indenture to the redemption of Bonds of the related Series in the amounts, manner and maturities and on the dates set forth in the Supplemental Indenture, at a Redemption Price of 100% of the principal amount thereof. At the written direction of the Issuer, the Trustee shall apply moneys from time to time available in the Series Sinking Fund Account to the purchase of Bonds of the applicable Series which mature in the aforesaid years, at prices not higher than the principal amount thereof, in lieu of redemption as aforesaid, provided that firm purchase commitments can be made before the notice of redemption would otherwise be required to be given. In the event of purchases at less than the principal amount thereof, the difference between the amount in the Series Sinking Fund Account representing the principal amount of the Bonds so purchased and the purchase price thereof (exclusive of accrued interest) shall be transferred to the related Series Interest Account of the Debt Service Fund.

(b) Accrued interest on purchased Bonds of a Series shall be paid from the related Series Interest Account of the Debt Service Fund.

(c) In lieu of paying the Debt Service Requirements necessary to allow any mandatory redemption of Bonds of a Series from the related Series Sinking Fund Account, the Issuer may present to the Trustee Bonds of such Series purchased by the Issuer pursuant to subparagraph (a) above and furnished for such purposes; provided, however, that no Bonds of such Series so purchased shall be credited towards the Debt Service Requirements in respect of the mandatory redemption of Bonds of such Series for which notice of redemption has been given pursuant to Section 8.02 of this Master Indenture. Any Bond so purchased shall be presented to

the Trustee for cancellation. In such event, the Debt Service Requirements with respect to the Bonds of a Series for the period in which the purchased Bonds are presented to the Trustee shall, for all purposes hereunder, be reduced by an amount equal to the aggregate principal amount of any such Bonds so presented.

SECTION 6.05. Debt Service Reserve Fund. The Trustee is hereby authorized and directed to establish a Debt Service Reserve Fund and, if applicable, pursuant to a Supplemental Indenture a Series Account for each Series of Bonds issued hereunder. The Debt Service Reserve Fund and each Series Account therein shall be held by the Trustee solely for the benefit of each related Series of Bonds or sub-Series, as determined by the applicable Supplemental Indenture; provided, however, that notwithstanding anything to the contrary contained in this Master Indenture, the Supplemental Indenture authorizing the issuance of a Series of Bonds may provide that the Debt Service Reserve Fund is not applicable and no account therein shall secure such Series of Bonds. The Debt Service Reserve Fund and each Series Account therein shall constitute an irrevocable trust fund to be applied solely as set forth herein and 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. Unless otherwise provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds, on the date of issuance and delivery of a Series of Bonds an amount of Bond proceeds or equity equal to the Debt Service Reserve Requirement in respect of such Series of Bonds, calculated as of the date of issuance and delivery of such Series of Bonds, shall be deposited in the related Series Account of the Debt Service Reserve Fund. Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, and as long as there exists no default under the Indenture and the amount in the Series Account of the Debt Service Reserve Fund is not reduced below the then applicable Debt Service Reserve Requirement with respect to such Series of Bonds, earnings on investments in the Series Account of the Debt Service Reserve Fund shall, prior to the Completion Date of a Project, be transferred to the applicable Acquisition and Construction Account of the Acquisition and Construction Fund, and after the Completion Date, shall be, at the written direction of the Issuer, transferred to the related Series Account of the Revenue Fund. Otherwise, earnings on investments in each Series Account of the Debt Service Reserve Fund shall be retained therein until applied as set forth herein. If made applicable in a Supplemental Indenture, in the event that the amount in a Series Account of the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement with respect to such Series of Bonds due to a decrease in the then applicable Debt Service Reserve Requirement as a result of an optional prepayment by the owner of a lot or parcel of land of Special Assessments against such lot or parcel or a mandatory true-up payment, which Special Assessments are pledged for the payment and security of such Series of Bonds, the excess amount shall, as directed by the terms of the applicable Series Supplement, either be transferred from the Series Account or Subaccount of the Debt Service Reserve Fund to the applicable Series Account of the Bond Redemption Fund established for such Series of Bonds and shall constitute as a credit against such optional prepayment or true-up payment. If made applicable in the Supplemental Indenture with respect to a Series of Bonds, in the event that the amount in a Series Account of the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement with respect to such Series of Bonds due to a decrease in the then applicable Debt Service Reserve Requirement for any other reason, the excess amount shall, as directed by the terms of the applicable Series Supplement, either be transferred from the Series Account of the Debt Service Reserve Fund to the applicable Series Account or Subaccount of the Bond Redemption Fund or deposited into the appropriate Account of the Acquisition and Construction Fund to be used to pay any Deferred Obligation.

Whenever for any reason on an Interest Payment Date, principal payment date or mandatory redemption date with respect to a related Series of Bonds secured by a Series Account of the Debt Service Reserve Fund the amount in the related Series Interest Account, the related Series Principal Account or the related Series Sinking Fund Account, as the case may be, is insufficient to pay all amounts payable on such Series of Bonds therefrom on such payment dates, the Trustee shall, without further instructions, transfer the amount of any such deficiency from the related Series Account of the Debt Service Reserve Fund into the related Series Interest Account, the related Series Principal Account and the related Series Sinking Fund Account, as the case may be, with priority to the related Series Interest Account and then, proportionately according to the respective deficiencies therein, to the related Series Principal Account and the related Series Sinking Fund Account, to be applied to pay the Series of Bonds secured by the Series Account of the Debt Service Reserve Fund.

SECTION 6.06. Bond Redemption Fund. Unless provided otherwise in a Supplemental Indenture with respect to a Series of Bonds, the Trustee is hereby authorized and directed to establish a Bond Redemption Fund and pursuant to a Supplemental Indenture a Series Account within the Bond Redemption Fund for each Series of Bonds issued hereunder into which shall be deposited, moneys in the amounts and at the times provided in Sections 5.01, 6.01, 6.03, 6.05, 9.08 and 9.14(c) of this Master Indenture. The Series Account within the Bond Redemption Fund shall constitute an irrevocable trust fund to be applied solely as set forth in the applicable Supplemental Indenture and shall be held by the Trustee separate and apart from all other Funds and Accounts held under such Indenture and from all other moneys of the Trustee. All earnings on investments held in the Series Account within the Bond Redemption Fund shall be retained therein and applied as set forth below.

Moneys in the Series Account within the Bond Redemption Fund (including all earnings on investments held in the Series Account within the Bond Redemption Fund) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, (except for amounts resulting from Prepayments of Special Assessments, which shall be applied as provided in the next paragraph) make such deposits into the Rebate Fund created and established under this Master Indenture as the Issuer may direct in accordance with an arbitrage rebate agreement, such moneys thereupon to be used solely for the purposes specified in said arbitrage rebate agreement. Any moneys so transferred from the Series Account within the Bond Redemption Fund to the Rebate Fund shall thereupon be free from the lien and pledge of the related Indenture;

SECOND, to be used to call for redemption pursuant to clause (b) of Section 8.01 hereof an amount of Bonds of the applicable Series equal to the amount of money transferred to the Series Account within the Bond Redemption Fund pursuant to the aforesaid clauses or provisions, as appropriate, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in such clauses or provisions, as appropriate; and

THIRD, the remainder to be utilized by the Trustee, at the direction of a Responsible Officer, to call for redemption on each Interest Payment Date or other date on

which Bonds of the applicable Series are subject to optional redemption pursuant to Section 8.01(a) hereof such amount of Bonds of the applicable Series taking into account any redemption premium, as may be practicable; provided, however, that not less than Five Thousand Dollars (\$5,000) principal amount of Bonds of the applicable Series shall be called for redemption at one time.

Any such redemption shall be made in accordance with the provisions of Article VIII of this Master Indenture and the applicable provisions of the related Supplemental Indenture. The Issuer shall pay all expenses in connection with such redemption.

SECTION 6.07. Drawings on Credit Facility. With respect to Bonds in respect of which there has been issued a Credit Facility, the Trustee shall draw on the Credit Facility, in accordance with the provisions for drawing under such Credit Facility, and within the requisite time period, all as set forth in the Credit Facility Agreement or the Supplemental Indenture.

SECTION 6.08. Procedure When Funds Are Sufficient to Pay All Bonds of a Series. Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, if at any time the moneys held by the Trustee in the Funds (other than the moneys in the Rebate Fund) and Accounts hereunder and under a Supplemental Indenture and available therefor are sufficient to pay the principal or Redemption Price of, as the case may be, and interest on all Bonds of a Series then Outstanding under such Indenture to maturity or prior redemption, together with any amounts due the Issuer and the Trustee, Paying Agent, Registrar, Credit Facility Issuer, if any, the Trustee, at the direction of the Issuer, shall apply the amounts in the Series Funds and Series Accounts to the payment of the aforesaid obligations and the Issuer shall not be required to pay over any further Pledged Revenues with respect to such Series of Bonds unless and until it shall appear that there is a deficiency in the Funds and Accounts held by the Trustee.

SECTION 6.09. Certain Moneys to Be Held for Series Bondowners Only. Each Series of Bonds issued pursuant to this Master Indenture and the related Supplemental Indenture shall be secured by Pledged Revenues, as set forth herein, and otherwise may be secured by such additional Funds and Accounts and other security (including, but not limited to, Credit Facilities) established by the pertinent Supplemental Indenture. Moneys and investments in the various Funds and Accounts created under a Supplemental Indenture expressly and solely for the benefit of the Series of Bonds issued under such Supplemental Indenture shall be held in trust by the Trustee for the benefit of the Holders of, and Credit Facility Issuer with respect to, Bonds of that Series only.

SECTION 6.10. Unclaimed Moneys. In the event any Bond shall not be presented for payment when the principal of such Bond becomes due, either at maturity or at the date fixed for redemption of such Bond or otherwise, if amounts sufficient to pay such Bond have been deposited with the Trustee for the benefit of the owner of the Bond and have remained unclaimed for three (3) years after the date payment thereof becomes due shall, upon request of the Issuer, if the Issuer is not at the time to the knowledge of the Trustee in default with respect to any covenant in this Master Indenture, any Supplemental Indenture or the Bonds contained, be paid to the Issuer; and the Owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer; provided, however, that the Trustee, before making payment to the Issuer, may, at the expense of and if directed by the Issuer, cause a notice to be published in an Authorized

Newspaper, stating that the money remaining unclaimed will be returned to the Issuer after a specified date.

SECTION 6.11. Rebate Fund. The Trustee is hereby authorized and directed to establish a Rebate Fund. Unless provided otherwise in a Supplemental Indenture, at the written direction of the Issuer the Trustee shall transfer monies from the applicable Series Account in the Revenue Fund and deposit the same to the Rebate Fund, and shall make payments therefrom at the times and in the amounts required to comply with the covenants in the applicable Arbitrage Certificate. If so directed by the Issuer in writing, the Trustee shall create one or more Series Accounts within the Rebate Fund relating to one or more particular Series of Bonds.

(a) All amounts held in the Rebate Fund shall be governed by this Section and the applicable Arbitrage Certificate. The Trustee shall be entitled to rely on the rebate calculations obtained from the rebate analyst retained by the Issuer pursuant to any Arbitrage Certificate and the Trustee shall not be responsible for any loss or damage resulting from any good faith action taken or omitted to be taken by the Issuer in reliance upon such calculations.

(b) Pursuant to the applicable Arbitrage Certificate, the Trustee shall remit all rebate installments and a final rebate payment to the United States. The Trustee shall have no obligation to pay any amounts required to be rebated pursuant to this Section and the applicable Arbitrage Certificate, other than at the direction of the Issuer and from moneys held in the Rebate Fund or from other moneys provided to it by the Issuer. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any arbitrage rebate shall be withdrawn and paid to the Issuer.

(c) Notwithstanding any other provision of this Indenture, including in particular Article XIV hereof, the obligation to pay arbitrage rebate to the United States and to comply with all other requirements of this Section and the Arbitrage Certificate shall survive the defeasance or payment in full of the Bonds.

(d) The Trustee shall not be deemed to have constructive knowledge of the Code or regulations, rulings and judicial decisions concerning the Code.

[END OF ARTICLE VI]

ARTICLE VII
SECURITY FOR AND INVESTMENT OR DEPOSIT OF FUNDS

SECTION 7.01. Deposits and Security Therefor. Unless otherwise as provided in the Supplemental Indenture with respect to a Series of Bonds, all moneys received by the Trustee under a Supplemental Indenture for deposit in any Fund or Account established under this Master Indenture or such Supplemental Indenture shall be considered trust funds, shall not be subject to lien or attachment, except for the lien created by this Master Indenture and the related Supplemental Indenture, and shall be deposited with the Trustee, until or unless invested or deposited as provided in Section 7.02 hereof. All deposits of moneys received by the Trustee under this Master Indenture or such Supplemental Indenture (whether original deposits under this Section 7.01 or deposits or redeposits in time accounts under Section 7.02) shall, to the extent not insured, and to the extent permitted by law, be fully secured as to both principal and interest earned, by Investment Securities of the types set forth in the definition of Investment Securities and the provisions thereof. If at any time the Trustee is unwilling to accept such deposits or unable to secure them as provided above, the Trustee may deposit such moneys with any other depository which is authorized to receive them and the deposits of which are insured by the Federal Deposit Insurance Corporation (including the FDIC Savings Association Insurance Fund). All deposits in any other depository in excess of the amount covered by insurance (whether under this Section 7.01 or Section 7.02 as aforesaid) shall, to the extent permitted by law, be fully secured as to both principal and interest earned, in the same manner as required herein for deposits with the Trustee. Such security shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000.

SECTION 7.02. Investment or Deposit of Funds. Except to the extent otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, the Trustee shall, as directed by the Issuer in writing, invest moneys held in the Series Accounts in the Debt Service Fund and any Series Account within the Bond Redemption Fund and the Debt Service Reserve Fund and any Series Account therein created under any Supplemental Indenture only in Government Obligations and the other securities described in the definition of Investment Securities. All deposits in time accounts shall be subject to withdrawal without penalty and all investments shall mature or be subject to redemption by the holder without penalty, not later than the date when the amounts will foreseeably be needed for purposes set forth herein. All securities securing investments under this Section shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee, as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000. The interest and income received upon such investments and any interest paid by the Trustee or any other depository of any Fund or Account and any profit or loss resulting from the sale of securities shall be added or charged to the Fund or Account for which such investments are made; provided, however, that if the amount in any Fund or Account equals or exceeds the amount required to be on deposit therein, subject to Section 6.05 of this Master Indenture and unless otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, any interest and other income so received shall be deposited in the related Series Account of the Revenue Fund. Upon request of the Issuer, or on its own initiative whenever payment is to be made out of any Fund or Account, the Trustee shall sell such securities as may be requested to make the payment and restore the proceeds to the Fund or Account in which the securities were

held. The Trustee shall not be accountable for any depreciation in the value of any such security or for any loss resulting from the sale thereof. If net proceeds from the sale of securities held in any Fund or Account shall be less than the amount invested and, as a result, the amount on deposit in such Fund or Account is less than the amount required to be on deposit in such Fund or Account, the amount of such deficit shall be transferred to such Fund or Account from the related Series Account of the Revenue Fund.

Absent specific instructions as aforesaid, the Trustee shall not be liable or responsible for any loss or failure to achieve the highest return, or entitled to any gain, resulting from any investment or sale upon the investment instructions of the Issuer or otherwise, including that set forth in the first sentence of this paragraph. The Trustee may make any investments permitted by the provisions of this section through its own bond department or investment department.

SECTION 7.03. Valuation of Funds. The Trustee shall value the assets in each of the Funds and Accounts established hereunder or under any Supplemental Indenture forty-five (45) days prior to each Interest Payment Date, and as soon as practicable after each such valuation date (but no later than ten (10) days after each such valuation date) shall provide the Issuer a report of the status of each Fund and Account as of the valuation date. In computing the assets of any Fund or Account, investments and accrued interest thereon shall be deemed a part thereof, subject to Section 7.02 hereof. For the purpose of determining the amount on deposit to the credit of any Fund or Account established hereunder or under any Supplemental Indenture, obligations in which money in such Fund or Account shall have been invested shall be valued at the market value or the amortized cost thereof, whichever is lower, or at the redemption price thereof, to the extent that any such obligation is then redeemable at the option of the holder. For the purpose of determining the amount on deposit to the credit of the Debt Service Reserve Fund, obligations in which money in such Fund shall have been invested shall be valued at par, if purchased at par, or at amortized cost, if purchased at other than par, plus, in each case, accrued interest. Amortized cost, when used with respect to an obligation purchased at a premium above or a discount below par, means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of days remaining to maturity on such obligation at the date of such purchase and by multiplying the amount thus calculated by the number of days having passed since such purchase; and (i) in the case of an obligation purchased at a premium by deducting the product thus obtained from the purchase price, and (ii) in the case of an obligation purchased at a discount by adding the product thus obtained to the purchase price.

[END OF ARTICLE VII]

ARTICLE VIII
REDEMPTION AND PURCHASE OF BONDS

SECTION 8.01. Redemption Dates and Prices. Unless provided otherwise in a Supplemental Indenture with respect to a Series of Bonds, the Bonds of a Series may be made subject to optional, mandatory and extraordinary redemption and purchase, either in whole or in part, by the Issuer, prior to maturity in the amounts, at the times and in the manner provided in this Article VIII and in the related Supplemental Indenture.

(a) *Optional Redemption.* Bonds of a Series shall be subject to optional redemption at the direction of the Issuer, at the times and upon payment of the purchase price as provided in the related Supplemental Indenture.

(b) *Extraordinary Mandatory Redemption in Whole or in Part.* Except as otherwise provided in a Supplemental Indenture with respect to Bonds of the related Series, Bonds of a Series are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Interest Payment Date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, (i) from moneys deposited into the related Series Account within the Bond Redemption Fund following the payment of Special Assessments on any portion of the District Lands in accordance with the provisions of Section 9.08 hereof; (ii) when sufficient moneys are on deposit in the related Series Funds and Accounts (other than moneys in the Rebate Fund and any other excluded Fund or Account as provided in a Supplemental Indenture with respect to a Series of Bonds) to pay and redeem all Outstanding Bonds of a Series and accrued interest thereon to the redemption date in addition to all amounts owed to Persons under the related Indenture; (iii) if made applicable in the Supplemental Indenture with respect to a Series of Bonds, from moneys in excess of the Debt Service Reserve Requirement for a Series of Bonds in the applicable Series Account of the Debt Service Reserve Fund transferred to the Series Account within the Bond Redemption Fund pursuant to Section 6.05 hereof; (iv) from excess moneys transferred from the Series Account of the Revenue Fund to the Series Account within the Bond Redemption Fund in accordance with Section 6.03 of this Master Indenture; (v) if the following is made applicable by the terms of a Supplemental Indenture, from moneys, if any, on deposit in the Series Account within the Bond Redemption Fund pursuant to Section 9.14(c) hereof following condemnation or the sale of any portion of the District Lands benefited by a Project to a governmental entity under threat of condemnation by such governmental entity or the damage or destruction of all or substantially all of the Project when such moneys are not to be used pursuant to 9.14(c) to repair, replace or restore the Project; provided, however, that at least forty-five (45) days prior to such extraordinary mandatory redemption, the Issuer shall cause to be delivered to the Trustee (x) notice setting forth the redemption date and (y) a certificate of the Consulting Engineer confirming that the repair and restoration of the Project would not be economical or would be impracticable; or (vi) from amounts transferred to the Series Account of the Bond Redemption Fund from the Series Account of the Acquisition and Construction Fund in accordance with Section 5.01(c) or (d) hereof.

(c) *Mandatory Sinking Fund Redemption.* Bonds of a Series may be subject to mandatory sinking fund redemption at a Redemption Price of 100% of the principal amount thereof

plus accrued interest to the redemption date, in the years and amounts set forth in a Supplemental Indenture.

In connection with such mandatory sinking fund redemption of Bonds, amounts shall be transferred from the applicable Series Account of the Revenue Fund to the Series Sinking Fund Account of the Debt Service Fund, all as more particularly described in Section 6.03 hereof.

The principal amounts of scheduled Sinking Fund Installments shall be reduced as specified by the Issuer or as provided in Section 8.04 hereof by any principal amounts of the Bonds redeemed pursuant to Section 8.01(a) and (b) hereof or purchased pursuant to Section 6.04 hereof.

Upon any redemption of Bonds other than in accordance with scheduled Sinking Fund Installments, the Issuer shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding principal amount of Bonds of such Series in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Bonds of such Series. The Sinking Fund Installments as so recalculated shall not result in an increase in the aggregate of the Sinking Fund Installments for all Bonds of such Series in any year. In the event of a redemption or purchase occurring less than forty-five (45) days prior to a date on which a Sinking Fund Installment is due, the foregoing recalculation shall not be made to Sinking Fund Installments due in the year in which such redemption or purchase occurs, but shall be made to Sinking Fund Installments for the immediately succeeding and subsequent years.

SECTION 8.02. Notice of Redemption and of Purchase. Except where otherwise required by a Supplemental Indenture, when required to redeem or purchase Bonds of a Series under any provision of the related Indenture or directed to do so by the Issuer, the Trustee shall cause notice of the redemption, either in whole or in part, to be mailed at least thirty (30) but not more than sixty (60) days prior to the redemption or purchase date to all Owners of Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the fifth (5th) day prior to such mailing), at their registered addresses, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption or purchase of the Bonds of such Series for which notice was duly mailed in accordance with this Section 8.02. Such notice shall be given in the name of the Issuer, shall be dated, shall set forth the Bonds of such Series Outstanding which shall be called for redemption or purchase and shall include, without limitation, the following additional information:

- (a) the redemption or purchase date;
- (b) the redemption or purchase price;
- (c) CUSIP numbers, to the extent applicable, and any other distinctive numbers and letters;
- (d) if less than all Outstanding Bonds of a Series to be redeemed or purchased, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed or purchased;

(e) that on the redemption or purchase date the Redemption Price or purchase price will become due and payable upon surrender of each such Bond or portion thereof called for redemption or purchase, and that interest thereon shall cease to accrue from and after said date; and

(f) the place where such Bonds are to be surrendered for payment of the redemption or purchase price, which place of payment shall be a corporate trust office of the Trustee.

If at the time of mailing of notice of redemption or purchase, the Issuer shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem or purchase all the Bonds called for redemption or purchase, such notice shall state that it is subject to the deposit of the redemption or purchase moneys with the Trustee or Paying Agent, as the case may be, not later than the opening of business on the redemption or purchase date, and such notice shall be of no effect unless such moneys are so deposited.

If the amount of funds deposited with the Trustee for such redemption, or otherwise available, is insufficient to pay the Redemption Price and accrued interest on the Bonds so called for redemption on the redemption date, the Trustee shall redeem and pay on such date an amount of such Bonds for which such funds are sufficient, selecting the Bonds to be redeemed randomly from among all such Bonds called for redemption on such date, and among different maturities of Bonds in the same manner as the initial selection of Bonds to be redeemed, and from and after such redemption date, interest on the Bonds or portions thereof so paid shall cease to accrue and become payable; but interest on any Bonds or portions thereof not so paid shall continue to accrue until paid at the same rate as it would have had such Bonds not been called for redemption.

The notices required to be given by this Section 8.02 shall state that no representation is made as to correctness or accuracy of the CUSIP numbers listed in such notice or printed on the Bonds.

SECTION 8.03. Payment of Redemption Price. If any required (a) unconditional notice of redemption has been duly mailed or waived by the Owners of all Bonds called for redemption or (b) conditional notice of redemption has been so mailed or waived and the redemption moneys have been duly deposited with the Trustee or Paying Agent, then in either case, the Bonds called for redemption shall be payable on the redemption date at the applicable Redemption Price plus accrued interest, if any, to the redemption date. Bonds of a Series so called for redemption, for which moneys have been duly deposited with the Trustee, will cease to bear interest on the specified redemption date, shall no longer be secured by the related Indenture and shall not be deemed to be Outstanding under the provisions of the related Indenture.

Payment of the Redemption Price, together with accrued interest, shall be made by the Trustee or Paying Agent to or upon the order of the Owners of the Bonds called for redemption upon surrender of such Bonds. The Redemption Price of the Bonds to be redeemed, the expenses of giving notice and any other expenses of redemption, shall be paid out of the Fund from which redemption is to be made or by the Issuer, or as specified in a Supplemental Indenture.

SECTION 8.04. Partial Redemption of Bonds. Except to the extent otherwise provided in a Supplemental Indenture, if less than all of a Series of Bonds of a maturity are to be redeemed, the Trustee shall select the particular Bonds or portions of the Bonds to be called for redemption by lot in such reasonable manner as the Trustee in its discretion may determine. In the case of any partial redemption of Bonds of a Series pursuant to Section 8.01(a), such redemption shall be effectuated by redeeming Bonds of such Series of such maturities in such manner as shall be specified by the Issuer in writing, subject to the provisions of Section 8.01 hereof. In the case of any partial redemption of Bonds of a Series pursuant to Section 8.01(b), such redemption shall be effectuated by redeeming Bonds of such Series pro rata among the maturities, treating each date on which a Sinking Fund Installment is due as a separate maturity for such purpose, with the portion to be redeemed from each maturity being equal to the product of the aggregate principal amount of Bonds of such Series to be redeemed multiplied times a fraction the numerator of which is the principal amount of the Series of Bonds of such maturity outstanding immediately prior to the redemption date and the denominator of which is the aggregate principal amount of all Bonds of such Series outstanding immediately prior to the redemption date.

[END OF ARTICLE VIII]

**ARTICLE IX
COVENANTS OF THE ISSUER**

SECTION 9.01. Power to Issue Bonds and Create Lien. The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Bonds, to adopt and execute this Master Indenture and to pledge the Pledged Revenues for the benefit of the Bonds of a Series and any Credit Facility Issuer, except to the extent otherwise provided in a Supplemental Indenture. The Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Bonds of a Series and any Credit Facility Issuer with respect to such Series. The Bonds and the provisions of this Master Indenture and any Supplemental Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by this Master Indenture and any Supplemental Indenture and all the rights of the Bondholders and any Credit Facility Issuer under this Master Indenture and any Supplemental Indenture against all claims and demands of all other Persons whomsoever.

SECTION 9.02. Payment of Principal and Interest on Bonds. The payment of the principal or Redemption Price of and interest on all of the Bonds of a Series issued under the related Indenture shall be secured forthwith equally and ratably by a first lien on and pledge of the Pledged Revenues, except to the extent otherwise provided in a Supplemental Indenture; and Pledged Revenues in an amount sufficient to pay the principal or Redemption Price of and interest on the Bonds of a Series authorized by the related Indenture are hereby irrevocably pledged to the payment of the principal or Redemption Price of and interest on the Bonds of a Series authorized under the related Indenture, as the same become due and payable. The Issuer shall promptly pay the interest on and the principal or Redemption Price of every Bond issued hereunder according to the terms thereof, but shall be required to make such payment only out of the Pledged Revenues.

THE BONDS AUTHORIZED UNDER THIS MASTER INDENTURE AND THE RELATED SUPPLEMENTAL INDENTURE AND THE OBLIGATIONS EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER, INCLUDING, WITHOUT LIMITATION, THE PROJECT OR ANY PORTION THEREOF IN RESPECT OF WHICH ANY SUCH BONDS ARE BEING ISSUED, OR ANY PART THEREOF, BUT SHALL CONSTITUTE A LIEN ONLY ON THE PLEDGED REVENUES AS SET FORTH IN THIS MASTER INDENTURE AND ANY SUPPLEMENTAL INDENTURE. NOTHING IN THE BONDS AUTHORIZED UNDER THIS MASTER INDENTURE AND ANY SUPPLEMENTAL INDENTURE SHALL BE CONSTRUED AS OBLIGATING THE ISSUER TO PAY THE BONDS OR THE REDEMPTION PRICE THEREOF OR THE INTEREST THEREON EXCEPT FROM THE PLEDGED REVENUES, OR AS PLEDGING THE FAITH AND CREDIT OF THE ISSUER, THE COUNTY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF, OR AS OBLIGATING THE ISSUER, THE COUNTY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS, DIRECTLY OR INDIRECTLY OR CONTINGENTLY, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR.

SECTION 9.03. Special Assessments; Re-Assessments.

(a) The Issuer shall levy Special Assessments, and, unless the Issuer collects the Special Assessments directly under the conditions set forth herein, evidence and certify the same to the Tax Collector or shall cause the Property Appraiser to certify the same on the tax roll to the Tax Collector for collection by the Tax Collector and enforcement by the Tax Collector or the Issuer pursuant to the Act, Chapter 170 or Chapter 197, Florida Statutes, or any successor statutes, as applicable, and Section 9.04 hereof, to the extent and in an amount sufficient to pay Debt Service Requirements on all Outstanding Bonds.

(b) If any Special Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the Issuer shall be satisfied that any such Special Assessment is so irregular or defective that the same cannot be enforced or collected, or if the Issuer shall have omitted to make such Special Assessment when it might have done so, the Issuer shall either (i) take all necessary steps to cause a new Special Assessment to be made for the whole or any part of said improvement or against any property benefited by said improvement, or (ii) in its sole discretion, make up the amount of such Special Assessment from any legally available moneys, which moneys shall be deposited into the applicable Series Account in the Revenue Fund. In case such second Special Assessment shall be annulled, the Issuer shall obtain and make other Special Assessments until a valid Special Assessment shall be made.

SECTION 9.04. Method of Collection. Special Assessments shall be collected by the Issuer in accordance with the provisions of the Act and Chapter 197, Florida Statutes, or any successor statutes thereto, as applicable, in accordance with the terms of this Section. Except as stated in the next succeeding sentence, the Issuer shall use the uniform method for the levy, collection and enforcement of Special Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, or any successor statutes thereto (the “Uniform Method”), and to do all things necessary to continue to use the Uniform Method or a comparable alternative method afforded by Section 197.3631, Florida Statutes. Notwithstanding the foregoing, the Issuer shall not collect Special Assessments pursuant to the Uniform Method levied against District Lands while owned by the Developer prior to platting of such lands, unless the Trustee at the direction of the beneficial owners of a majority of Bonds Outstanding directs otherwise. The Issuer shall enter into or maintain in effect one or more written agreements with the Property Appraiser and the Tax Collector, either individually or jointly (together, the “Property Appraiser and Tax Collector Agreement”) in order to effectuate the provisions of this Section. The Issuer shall ensure that any such Property Appraiser and Tax Collector Agreement remains in effect for at least as long as the final maturity of Bonds Outstanding under this Indenture. To the extent that the Issuer is legally prevented from collecting Special Assessments pursuant to the Uniform Method, is not required to collect Special Assessments pursuant to the Uniform Method in accordance with the provisions of this Section 9.04 or the District Manager determines that using the Uniform Method is not in the best interest of the Bondholders, the Issuer shall then and only under those circumstances pursuant to the applicable rules and procedures of the County, collect and enforce Special Assessments pursuant to any available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto.

SECTION 9.05. Delinquent Special Assessments; Sale of Tax Certificates and Issuance of Tax Deeds; Foreclosure of Special Assessment Liens.

(a) Subject to the provisions of Section 9.04 hereof, if the owner of any lot or parcel of land assessed for a particular Project shall be delinquent in the payment of any Special Assessment, then such Special Assessment shall be enforced pursuant to the provisions of Chapter 197, Florida Statutes, or any successor statute thereto, including but not limited to the sale of tax certificates and tax deeds as regards such delinquent Special Assessment. In the event the provisions of Chapter 197, Florida Statutes, and any provisions of the Act with respect to such sale are inapplicable by operation of law, then upon the delinquency of any Special Assessment the Issuer shall, to the extent permitted by law, utilize any other method of enforcement as provided by Section 9.04 hereof, including, without limitation, declaring the entire unpaid balance of such Special Assessment to be in default and, at its own expense, cause such delinquent property to be foreclosed, pursuant to the provisions of Section 170.10, Florida Statutes, in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate and Sections 190.026 and 170.10, Florida Statutes, or otherwise as provided by law. The Issuer covenants not to use the provisions of Chapter 173, Florida Statutes, unless no other provision under applicable law can be used to foreclose the Special Assessments.

(b) If the Special Assessments levied and collected under the Uniform Method described in Section 9.04 are delinquent, then the applicable procedures for issuance and sale of tax certificates and tax deeds for nonpayment shall be followed in accordance with Chapter 197, Florida Statutes and related statutes. Alternatively, if the Uniform Method is not utilized, and if any property shall be offered for sale for the nonpayment of any Special Assessment, and no person or persons shall purchase the same for an amount at least equal to the full amount due on the Special Assessment (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the Issuer, to the extent the Issuer has available funds, for an amount equal to the balance due on the Special Assessment (principal, interest, penalties and costs, plus attorneys' fees, if any), and the Issuer shall thereupon receive in its corporate name or in the name of special purpose entity nominee of the Issuer, the title to the property for the benefit of the Registered Owners.

(c) Not less than ten (10) days prior to the filing of any foreclosure action or any sale of tax deed as herein provided, the Issuer shall cause written notice thereof to be mailed to the Registered Owners of the Series of Bonds secured by such delinquent Special Assessments. Not less than thirty (30) days prior to the proposed sale of any lot or tract of land acquired by foreclosure by the Issuer, it shall give written notice thereof to such Registered Owners.

(d) Notwithstanding any of the foregoing to the contrary, for as long as there is an "Obligated Person," as defined under the Rule, then in addition to the Issuer, the decision to file a foreclosure action shall be made by the Majority Holders of the Outstanding Bonds so secured by the delinquent Special Assessments and such decision shall be communicated to the Issuer and Trustee in writing.

SECTION 9.06. Management of Property Acquired by the Trustee or Issuer. The Issuer, either through its own actions or actions caused to be done through the Trustee, shall have the power and shall use its best efforts to lease or sell such property and deposit all of the net proceeds of any such lease or sale into the related Series Account of the Revenue Fund. The Issuer, either through its own actions or actions caused to be done through the Trustee, agrees that it shall be required to take the measure provided by law for sale of property acquired by it as Trustee for

the Registered Owners within thirty (30) days after the receipt of the request therefor signed by the Registered Owners of at least twenty-five percent (25%) of the aggregate principal amount of all Outstanding Bonds of the Series payable from Special Assessments assessed on such property. If directed by the Owners of a majority of the Outstanding Bonds of a Series or if the Trustee or the Issuer shall so elect, the Issuer and the Trustee may place title of property received upon foreclosure or deed in lieu of foreclosure into a special purpose entity controlled by the Trustee or such other entity acceptable to the Beneficial Holders of a majority of the Outstanding Bonds of a Series so effected by such foreclosure, for the benefit of the Registered Owners.

SECTION 9.07. Books and Records with Respect to Special Assessments. In addition to the books and records required to be kept by the Issuer pursuant to the provisions of Section 9.17 hereof, the Issuer shall keep books and records for the collection of the Special Assessments on the District Lands, which such books, records and accounts shall be kept separate and apart from all other books, records and accounts of the Issuer. The District Manager or the District Manager's designee, at the end of each Fiscal Year, shall prepare a written report setting forth the collections received, the number and amount of delinquencies, the proceedings taken to enforce collections and cure delinquencies and an estimate of time for the conclusion of such legal proceedings.

SECTION 9.08. Removal of Special Assessment Liens. Except as otherwise provided in a Supplemental Indenture with respect to a related Series of Bonds, the following procedures shall apply in connection with the removal of Special Assessment liens:

(a) At any time subsequent to thirty (30) days after the Project has been completed within the meaning of Section 5.01(e) hereof and the Board has adopted a resolution accepting the Project as provided by Section 170.09, Florida Statutes, as amended, any owner of property subject to the Special Assessments may, at its option, and under certain circumstances described in the assessment resolutions in connection with prepayments derived from application of the "True-Up" mechanism therein, require the Issuer to release and extinguish the lien, in whole or in part, upon its property by virtue of the levy of the Special Assessments by paying to the Issuer the entire amount or a portion, as the case may be, of the Special Assessment, plus accrued interest, attributable to the property subject to Special Assessment owned by such owner to the earlier of the next Interest Payment Date occurring at least forty-five (45) days after the Trustee receives such Prepayment. If any such prepayment of Special Assessments shall occur within thirty (30) days after the Project has been completed and the Board has adopted a resolution accepting the Project as provided in Section 170.09, Florida Statutes, as amended, no accrued interest shall be required to be paid. The Issuer shall promptly notify the Trustee in writing of any Prepayment made under such circumstances. Accrued interest on any Bonds that would be redeemed as a result of such Prepayment made within thirty (30) days after the Board has adopted a resolution accepting the Project shall be derived from moneys on deposit in the Interest Account or capitalized interest account and if no moneys remain, from moneys on deposit in the Debt Service Reserve Account.

(b) Upon receipt of a Prepayment as described in (a) above, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such action as is necessary to record in the official records of the County an affidavit or affidavits, as the case may be, executed by an authorized officer of the Issuer, to the effect that the Special Assessment has been paid in full or in part and that such Special Assessment lien is thereby released and

extinguished if paid in full or such Special Assessment lien shall be reduced if the landowner only made a partial Prepayment. Upon receipt of any such moneys from the Issuer the Trustee shall immediately deposit the same into the Bond Redemption Fund to be applied to the redemption of Bonds in accordance with Section 8.01(b)(i) hereof. In connection with such Prepayment, the Trustee shall calculate the credit authorized pursuant to Section 6.05 hereof, and transfer such credit to the Bond Redemption Fund to be used together with such Prepayment for the redemption of Bonds in accordance with Section 8.01(b)(i) hereof.

(c) Notwithstanding the foregoing, and consistent with the proceedings of the Issuer relating to the imposition and levy of the Special Assessments, the owner of property (including the Developer) may at any time require the Issuer to release and extinguish the lien upon its property by virtue of the levy of the Special Assessments by paying to the Issuer the entire amount of the Special Assessment, plus accrued interest to the next succeeding Interest Payment Date (or the second succeeding Interest Payment Date if such prepayment is made within forty (40) calendar days before an Interest Payment Date), attributable to the property subject to Special Assessment owned by such owner. In lieu of such Prepayment with cash, an owner of property within the District may surrender to the District for cancellation to completely extinguish the lien on such property or reduce the lien equally on every portion of such property, a principal amount of Outstanding Bonds of a Series that is secured by Special Assessments levied against such property.

(d) Upon receipt of a prepayment as described in (a), (b) or (c) above, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such action as is necessary to record in the official records of the County an affidavit or affidavits, as the case may be, executed by an authorized officer of the Issuer, to the effect that the Special Assessment has been paid and that such Special Assessment lien is thereby released and extinguished. Except as otherwise provided by a Supplemental Indenture, upon receipt of any such moneys from the Issuer the Trustee shall immediately deposit the same into the applicable Series Account within the Bond Redemption Fund to be applied to the redemption of Bonds in accordance with Section 8.01(b)(i) hereof.

SECTION 9.09. Deposit of Special Assessments. The Issuer covenants to cause any Special Assessments collected or otherwise received by it to be deposited with the Trustee within five (5) Business Days after receipt thereof for deposit into the related Series Account of the Revenue Fund (except that amounts received as prepayments of Special Assessments shall be designated by the Issuer as such upon delivery to the Trustee and shall be deposited directly into the related Series Account within the Bond Redemption Fund).

SECTION 9.10. Construction to be on District Lands. Except for certain off site mitigation, roadway and possibly landscaping improvements which are or may be outside the District Lands and are required in order for the District Lands to be developed, the Issuer covenants that no part of the Project will be constructed on, over or under lands other than (i) lands good and marketable title to which is owned by the Issuer or other appropriate entity in fee simple, (ii) lands on, over or under which the Issuer or other appropriate entity shall have acquired perpetual easements for the purposes of the Project, or (iii) lands, including public streets and highways, the right to the use and occupancy of which for such purposes shall be vested in the Issuer or other

appropriate entity by law or by valid franchises, licenses, easements or rights of way or other legally effective permissions or approval.

SECTION 9.11. Operation, Use and Maintenance of Project. The Issuer shall establish and enforce reasonable rules and regulations governing the use of the Project owned by the Issuer, and the operation thereof, such rules and regulations to be adopted in accordance with the Act, and the Issuer shall operate, use and maintain the Project owned by the Issuer in accordance with the Act and all other applicable federal and State laws, rules and regulations; the Issuer shall maintain and operate the Project owned by the Issuer in an efficient and economical manner, shall at all times maintain the same in good repair and in sound operating condition and shall make all necessary repairs, renewals and replacements.

SECTION 9.12. Observance of and Compliance with Valid Requirements. The Issuer shall pay all municipal or governmental charges lawfully levied or assessed upon any Project or any part thereof or upon any revenues when the same shall become due, and the Issuer shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to each Project. The Issuer shall not, except as otherwise permitted in Section 9.24 of this Article, create or suffer to be created any lien or charge upon any Project or upon Pledged Revenues, except the lien and charge of the Bonds on the Pledged Revenues.

SECTION 9.13. Payment of Operating or Maintenance Costs by State or Others. The Issuer may permit the United States of America, the State, or any of their agencies, departments or political subdivisions or any other Person to pay all or any part of the cost of maintaining, repairing and operating the Project out of funds other than Pledged Revenues.

SECTION 9.14. Public Liability and Property Damage Insurance; Maintenance of Insurance; Use of Insurance and Condemnation Proceeds.

(a) Except as otherwise provided in subsection (d) of this Section, the Issuer will carry or cause to be carried, in respect of each Project, comprehensive general liability insurance (covering bodily injury and property damage) issued by one or more insurance companies authorized and qualified to do business under the laws of the State, in such amounts as is customary for similar operations, or as is more specifically set forth hereinbelow.

(b) At all times, to the extent commercially available, the Issuer shall maintain a practical insurance program, with reasonable terms, conditions, provisions and costs which the District Manager determines will afford adequate protection against loss caused by damage to or destruction of any component of any Project owned by the Issuer. Limits for such coverage will be subject to the Consulting Engineer's recommendations. The Issuer shall also, at all times, maintain a practical comprehensive general liability insurance program with respect to any Project for such coverage, with such reasonable terms, conditions, provisions and costs as the District Manager determines will afford adequate protection against bodily injury and property damage.

All insurance policies of the Issuer relating to any Project shall be carried with companies authorized to do business in the State, with a Best rating of no less than "A" as to management and Class "V" as to financial strength; provided, however, that if, in the opinion of the District Manager, adequate insurance protection under reasonable terms, conditions, provisions and cost

cannot be purchased from an insurance company with the above-designated ratings, then the District Manager, on behalf of the Issuer, may secure such insurance protection as the Issuer determines to be in its best interests and otherwise consistent with this Master Indenture and any Supplemental Indenture; provided further, however, that the Issuer may act as a self-insurer in accordance with the requirements of subsection (d) hereof. All policies providing the insurance coverages required by this Section shall designate the Issuer as the loss-payee and shall be made payable to the Issuer.

(c) All proceeds received from property damage or destruction insurance and all proceeds received from the condemnation of any Project or any part thereof are hereby pledged by the Issuer as security for the related Series of Bonds and shall be deposited at the option of the Issuer, but subject to the limitations hereinafter described, either (i) into a separate fund to be established by the Trustee for such purpose which may be an account within the Acquisition and Construction Fund as directed by the Issuer, and used to remedy the loss, damage or taking for which such proceeds are received, either by repairing the damaged property or replacing the destroyed or taken property, as soon as practicable after the receipt of such proceeds, or (ii) into the related Series Account within the Bond Redemption Fund for the purpose of purchasing or redeeming Bonds according to the provisions set forth in Article VIII hereof. The Issuer shall not be entitled to deposit insurance proceeds or condemnation awards into the separate fund described above in clause (i) of this paragraph (and such proceeds and awards shall be deposited directly into the related Series Account within the Bond Redemption Fund pursuant to clause (ii) of this paragraph) unless there shall have been filed with the Issuer within a reasonable time after the damage, destruction or condemnation (A) a certificate from the Consulting Engineer that the proceeds of the insurance or condemnation awards deposited into such separate fund, together with other funds available for such purposes, will be sufficient to repair, rebuild, replace or restore such property to substantially the same condition as it was in prior to its damage, destruction or condemnation (taking into consideration any changes, alterations and modifications that the Issuer may desire), (B) an opinion from the Consulting Engineer that the Project can be repaired, rebuilt, replaced or restored within two (2) years following the damage, destruction or condemnation thereof and (C) an opinion of the Consulting Engineer that, in each of the three (3) Fiscal Years following completion of such repair, rebuilding, replacement or restoration, the Issuer will be in compliance with its obligations hereunder. If the certificate described in clause (A) of this paragraph is not rendered because such proceeds or awards are insufficient for such purposes, the Issuer may deposit any other legally available funds in such separate fund in an amount required to enable the Consulting Engineer to render its certificate. If the insurance proceeds or condemnation awards deposited in such separate fund are more than sufficient to repair the damaged property or to replace the destroyed or taken property, the balance thereof remaining shall be deposited to the credit of the related Series Account in the Revenue Fund.

(d) The Issuer shall be entitled to provide all or a portion of the insurance coverage required by subsections (a) and (b) of this Section through Qualified Self Insurance, provided that the requirements hereinafter set forth in this subsection (d) are satisfied. "Qualified Self Insurance" means insurance maintained through a program of self-insurance or insurance maintained with a company or association in which the Issuer has a material interest or of which the Issuer has control, either singly or with others.

Prior to participation in any plan of Qualified Self Insurance not currently in effect, the Issuer shall obtain a certificate of compliance executed by the District Manager or a licensed insurance agent selected by the District Manager to the effect that (A) the proposed Qualified Self Insurance plan will provide the coverage required by subsections (a) and (b) of this Section, and (B) the proposed Qualified Self Insurance plan provides for the creation of actuarially sound reserves.

Each plan of Qualified Self Insurance shall be in written form, shall provide that upon the termination of such plan reserves will be established or insurance acquired in amounts adequate to cover any potential retained liability in respect of the period of self-insurance, and shall be reviewed annually by the District Manager or registered actuary who shall deliver to the Issuer a report on the adequacy of the reserves established thereunder in light of claims made. If the District Manager or registered actuary determines that such reserves are inadequate in light of the claims made, he shall make recommendations as to the amount of reserves that should be established and maintained, and the Issuer shall comply with such recommendations unless it can establish to the satisfaction of the District Manager or an insurance consultant retained by the Issuer that such recommendations are unreasonable in light of the nature of the claims or the history of recovery against the Issuer for similar claims.

(e) Copies of all recommendations and approvals made by the Consulting Engineer under the provisions of this Section shall be filed with the District Manager.

The Trustee shall have no duty to determine compliance by the Issuer with the requirements of this Section.

SECTION 9.15. Collection of Insurance Proceeds. Copies of all insurance policies referred to in Section 9.14 of this Article shall be available at the offices of the Issuer at all reasonable times to the inspection of the Holders of the Bonds and their agents and representatives duly authorized in writing. The Issuer covenants that it will take such action as may be necessary to demand, collect and sue for any insurance money which may become due and payable under any policy of insurance required under this Master Indenture or any Supplemental Indenture, whether such policy is payable to the Issuer or to the Trustee. The Trustee is hereby authorized in its own name to demand, collect, sue and receive any insurance money which may become due and payable under any policies payable to it.

SECTION 9.16. Use of Revenues for Authorized Purposes Only. None of the Pledged Revenues shall be used for any purpose other than as provided in this Master Indenture and the related Supplemental Indenture and no contract or contracts shall be entered into or any action taken by the Issuer or the Trustee which will be inconsistent with the provisions of this Master Indenture and the related Supplemental Indenture.

SECTION 9.17. Books and Records. The Issuer shall keep proper books of record and account in accordance with Generally Accepted Accounting Principles (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to any Project, and which, together with all other books and records of the Issuer, including, without limitation, insurance policies, relating to any Project, shall at all times be subject during regular business hours to the inspection of the Trustee.

SECTION 9.18. Observance of Accounting Standards. The Issuer covenants that all the accounts and records of the Issuer relating to the Project will be kept according to Generally Accepted Accounting Principles consistently applied and consistent with the provisions of this Master Indenture and any Supplemental Indenture.

SECTION 9.19. Employment of Certified Public Accountant. The Issuer shall employ or cause to be employed as required a Certified Public Accountant to perform accounting and auditing functions and duties required by the Act and this Master Indenture and any Supplemental Indenture.

SECTION 9.20. Establishment of Fiscal Year, Annual Budget. The Issuer has established a Fiscal Year beginning October 1 of each year and ending September 30 of the following year. The reports and budget of the Issuer shall relate to such Fiscal Year unless and until, in accordance with applicable law, a different Fiscal Year is established by Certified Resolution of the Issuer and is filed with the Trustee.

On or before the first day of each Fiscal Year the Issuer shall adopt a final Annual Budget with respect to the Project for such Fiscal Year for the payment of anticipated operating and maintenance expenses and shall supply a copy of such budget promptly upon the approval thereof to any Bondholders who shall have so requested in writing and shall have filed their names and addresses with the Secretary of the Board for such purpose. If for any reason the Issuer shall not have adopted the Annual Budget with respect to the Project on or before the first day of any Fiscal Year, the Annual Budget for the preceding Fiscal Year shall, until the adoption of the new Annual Budget, be deemed in force for the ensuing Fiscal Year. The Issuer may at any time adopt an amended or supplemental Annual Budget for the remainder of the current Fiscal Year, and when such amended or supplemental Annual Budget is approved it shall be treated as the official Annual Budget under this Master Indenture and any Supplemental Indenture. Copies of such amended or supplemental Annual Budget shall be mailed by the Issuer to any Bondholders who shall have so requested in writing and shall have filed their names and addresses with the Secretary of the Board for such purpose.

SECTION 9.21. Employment of Consulting Engineer; Consulting Engineer's Report.

(a) The Issuer shall, for the purpose of performing and carrying out the duties imposed on the Consulting Engineer by this Master Indenture and any Supplemental Indenture, employ one or more Independent engineers or engineering firms or corporations having a statewide and favorable repute for skill and experience in such work.

(b) The Issuer shall cause the Consulting Engineer to make an inspection of any portions of the Project owned by the Issuer at least once in each Fiscal Year and, on or before the first day of July in each Fiscal Year, to submit to the Board a report setting forth (i) its findings as to whether such portions of the Project owned by the Issuer have been maintained in good repair, working order and condition, and (ii) its recommendations as to the proper maintenance, repair and operation of the Project during the ensuing Fiscal Year and an estimate of the amount of money necessary for such purpose.

Copies of such annual report shall be mailed by the Issuer to any Bondholders who shall have filed their names and addresses with the Secretary of the Board for such purpose.

SECTION 9.22. Audit Reports. The Issuer covenants that, no later than 270 days after the end of each Fiscal Year, it will cause an audit to be made by a Certified Public Accountant covering all receipts and moneys then on deposit with or in the name of the Trustee or the Issuer and any security held therefor and any investments thereof. Copies of such audit reports shall be filed with the District Manager and the Secretary of the Board, and mailed by said Secretary to the Consulting Engineer and to all Bondholders who shall have filed their names and addresses with him for such purpose.

SECTION 9.23. Information Required by the Issuer. The Issuer shall cause to be kept on file at all times copies of the schedules of Special Assessments levied on all District Lands in respect of the Project. The Issuer shall keep accurate records and books of account with respect to the Project, and shall have a complete audit of such records and accounts made annually by a Certified Public Accountant, as provided in Section 9.22 hereof.

SECTION 9.24. Covenant Against Sale or Encumbrance; Exceptions. The Issuer covenants that, (a) except for those improvements comprising any Project that are to be conveyed by the Issuer to the County, the State Department of Transportation or another governmental entity and (b) except as in this Section permitted, it will not sell, lease or otherwise dispose of or encumber any Project, or any part thereof. Subject to the provisions of Section 9.31 hereof, the Issuer may, however, from time to time, sell any machinery, fixtures, apparatus, tools, instruments or other movable property acquired by it from the proceeds of a Series of Bonds or from Pledged Revenues if the District Manager shall determine, with the approval of the Consulting Engineer, that such items are no longer needed or are no longer useful in connection with the construction, maintenance and operation of the related Project, and the proceeds thereof shall be applied to the replacement of the properties so sold or disposed of or, at the written direction of the Issuer shall be deposited to the credit of the related Series Account in the Revenue Fund.

Upon any sale of property relating to the Project, the aggregate of which in any thirty (30) day period exceeds Fifty Thousand Dollars (\$50,000) under the provisions of this Section, the Issuer shall provide written notice to the Trustee of the property so sold and the amount and disposition of the proceeds thereof.

Subject to obtaining an opinion of Bond Counsel that such action is permitted hereunder and will not adversely affect the exclusion of interest on the Bonds for federal income tax purposes, the Issuer may lease or grant easements, franchises or concessions for the use of any part of the Project not incompatible with the maintenance and operation thereof, if the Consulting Engineer shall approve such lease, easement, franchise or concession in writing, and the net proceeds of any such lease, easement, franchise or concession (after the making of provision for payment from said proceeds of all costs incurred in financing, constructing, operating, maintaining or repairing such leases, easements, franchises or concessions) shall be deposited as received to the credit of related Series Account in the Revenue Fund.

SECTION 9.25. [RESERVED].

SECTION 9.26. No Loss of Lien on Pledged Revenues. The Issuer shall not do or omit to do, or suffer to be done or omit to be done, any matter or thing whatsoever whereby the lien of the Bonds on the Pledged Revenues or any part thereof, or the priority thereof, would be lost or impaired; provided, however, that this Section shall not prohibit the Trustee from transferring moneys to the Rebate Fund held by the Trustee under any arbitrage rebate agreement.

SECTION 9.27. Compliance With Other Contracts and Agreements. The Issuer shall comply with and abide by all of the terms and conditions of any and all contracts and agreements which the Issuer enters into in connection with the Project and the issuance of the Bonds.

SECTION 9.28. Issuance of Additional Obligations. The Issuer shall not issue any obligations other than the Bonds payable from Pledged Revenues, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge, payable from Pledged Revenues.

SECTION 9.29. Extension of Time for Payment of Interest Prohibited. The Issuer shall not directly or indirectly extend or assent to an extension of time for payment of any claim for interest on any of the Bonds and shall not directly or indirectly be a party to or approve any arrangement therefor by purchasing or funding or in any manner keeping alive any such claim for interest; no claim for interest which in any way, at or after maturity, shall have been transferred or pledged apart from the Bonds to which it relates or which shall in any manner have been kept alive after maturity by extension or by purchase thereof by or on behalf of the Issuer, shall be entitled, in case of a default hereunder, to any benefit or security under this Master Indenture and any Supplemental Indenture except after the prior payment in full of the principal of all Bonds and claims for interest appertaining thereto not so transferred, pledged, kept alive or extended.

SECTION 9.30. Further Assurances. The Issuer shall not enter into any contract or take any action by which the rights of the Trustee or the Bondholders may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of this Master Indenture and any Supplemental Indenture.

SECTION 9.31. Use of Bond Proceeds to Comply with Internal Revenue Code. The Issuer covenants to the Holders of the Bonds that it will not make or direct the making of any investment or other use of the proceeds of any Bonds issued hereunder, the interest on which is intended to be excluded from gross income for federal income tax purposes (“Tax-Exempt Bonds”) which would cause such Bonds to be “arbitrage bonds” as that term is defined in Section 148 (or any successor provision thereto) of the Code or “private activity bonds” as that term is defined in Section 141 (or any successor provision thereto) of the Code, and that it will comply with the requirements of such Code sections and related regulations throughout the term of such Tax-Exempt Bonds. The Issuer hereby further covenants and agrees to comply with the procedures and covenants contained in any Arbitrage Certificate executed in connection with the issuance of each Series of Tax-Exempt Bonds for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on each Series of Tax-Exempt Bonds.

SECTION 9.32. Corporate Existence and Maintenance of Properties. For so long as any Bonds are Outstanding hereunder, unless otherwise provided by the Act, the Issuer shall

maintain its corporate existence as a local unit of special purpose government under the Act and shall provide for or otherwise require all Projects, and all parts thereof owned by the Issuer to be (a) continuously operated, repaired, improved and maintained as shall be necessary to provide adequate service to the lands benefited thereby; and (b) in compliance with all valid and applicable laws, acts, rules, regulations, permits, orders, requirements and directions of any competent public authority.

SECTION 9.33. Continuing Disclosure. The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Master Indenture and any Supplemental Indenture, failure of the Issuer or the Developer (if obligated pursuant to the Continuing Disclosure Agreement) to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of any participating underwriter or the Holders of at least 25% aggregate principal amount in Outstanding Bonds of a Series and receipt of indemnity to its satisfaction, shall) or any Holder of the Bonds or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Section 9.33. For purposes of this Section, “Beneficial Owner” means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

SECTION 9.34. Bankruptcy of Developer or Other Obligated Person Under the Rule. The provisions of this Section 9.34 shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against the Developer or other “obligated” person (as defined under the Rule) (herein, the “Landowner”) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a “Proceeding”). For as long as any Bonds remain Outstanding, in any Proceeding involving the Issuer, any Landowner, or the Special Assessments, the District shall be obligated to act in accordance with direction from the Trustee with regard to all matters directly or indirectly affecting the Bonds.

The Issuer acknowledges and agrees that, although the Bonds will be issued by the Issuer, the Beneficial Owners of such Bonds are categorically the party with a financial stake in the repayment of the Bonds and, consequently, the party with a vested interest in a Proceeding. In the event of any Proceeding involving any Landowner (a) the Issuer hereby agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Special Assessments, the Bonds or any rights of the Trustee under this Master Indenture or applicable Supplemental Trust Indenture that is inconsistent with any direction from the Trustee, (b) the Trustee shall have the right, but is not obligated to, vote in any such Proceeding any and all claims of the Issuer, and, if the Trustee chooses to exercise such right, the Issuer shall be deemed to have appointed the Trustee as its agent and granted to the Trustee an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to the Issuer in connection with any Proceeding of any Landowner, including without limitation, the right to file and/or prosecute any claims, to vote to accept or reject a plan, and to make any election under

Section 1111(b) of the Bankruptcy Code and (c) the Issuer shall not challenge the validity or amount of any claim submitted in such Proceeding by the Trustee in good faith or any valuations of any lands submitted by the Trustee in good faith in such Proceeding or take any other action in such Proceeding, which is adverse to Trustee's enforcement of the Issuer's claim with respect to the Special Assessments or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the Issuer agrees that the Trustee shall have the right (i) to file a proof of claim with respect to the Special Assessments, (ii) to deliver to the Issuer a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) to defend any objection filed to said proof of claim.

[END OF ARTICLE IX]

ARTICLE X
EVENTS OF DEFAULT AND REMEDIES

SECTION 10.01. Events of Default and Remedies. Except to the extent otherwise provided in the Supplemental Indenture authorizing a Series of Bonds, events of default and remedies with respect to each Series of Bonds shall be as set forth in this Master Indenture.

SECTION 10.02. Events of Default Defined. Each of the following shall be an “Event of Default” under the Indenture, with respect to a Series of Bonds:

(a) if payment of any installment of interest on any Bond of such Series is not made when it becomes due and payable; or

(b) if payment of the principal or Redemption Price of any Bond of such Series is not made when it becomes due and payable at maturity or upon call or presentation for redemption; or

(c) if the Issuer, for any reason, fails in, or is rendered incapable of, fulfilling its obligations under the Indenture or under the Act which may be determined solely by the Majority Holders; or

(d) if the Issuer proposes or makes an assignment for the benefit of creditors or enters into a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the Issuer or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the Issuer and if such is not vacated, dismissed or stayed on appeal within ninety (90) days; or

(e) if the Issuer defaults in the due and punctual performance of any other covenant in the Indenture or in any Bond of such Series issued pursuant to the Indenture and such default continues for sixty (60) days after written notice requiring the same to be remedied shall have been given to the Issuer by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Majority Holders; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the Issuer shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion; or

(f) written notice shall have been received by the Trustee from a Credit Facility Issuer securing Bonds of such Series that an event of default has occurred under the Credit Facility Agreement, or there shall have been a failure by said Credit Facility Issuer to make said Credit Facility available or to reinstate the interest component of said Credit Facility in accordance with the terms of said Credit Facility, to the extent said notice or failure is established as an event of default under the terms of a Supplemental Indenture; or

(g) if at any time the amount in the Debt Service Reserve Fund or any account therein is less than the Debt Service Reserve Requirement as a result of the Trustee withdrawing an amount therefrom to satisfy the Debt Service Requirement on the Bonds of any Series and such amount has not been restored within thirty (30) days of such withdrawal; or

(h) more than twenty percent (20%) of the “maintenance special assessments” levied by the Issuer on District lands upon which the Special Assessments are levied to secure one or more Series of Bonds pursuant to Section 190.021(3), Florida Statutes, as amended, and collected directly by the District have become due and payable and have not been paid, when due.

The Trustee shall not be required to rely on any official action, admission or declaration by the Issuer before recognizing that an Event of Default under (c) above has occurred.

SECTION 10.03. Foreclosure of Assessment Lien. Notwithstanding any other provision of this Master Indenture to the contrary, the following provisions shall apply with respect to the Special Assessments securing a Series of Bonds.

If any property shall be offered for sale for the nonpayment of any Special Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Special Assessments (principal, interest, penalties and costs, plus attorneys’ fees, if any), the property may then be purchased by the Issuer for an amount equal to the balance due on the Special Assessments (principal, interest, penalties and costs, plus attorneys’ fees, if any), from any legally available funds of the Issuer and the Issuer 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 applicable Series of Bonds; provided that the Trustee shall have the right, acting at the written direction of the Majority Holders, but shall not be obligated, to direct the Issuer with respect to any action taken pursuant to this Section. The Issuer, 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 Revenue Fund. The Issuer, 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 applicable Series of Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee or the Majority Holders.

SECTION 10.04. No Acceleration; Redemption. No Series of Bonds issued under this Master Indenture shall be subject to acceleration. Upon the occurrence and continuation of an Event of Default, no optional redemption or extraordinary mandatory redemption of the Bonds pursuant to Article VIII hereof shall occur unless all of the Bonds of the Series where an Event of Default has occurred will be redeemed or 100% of the Holders of such Series of Bonds agree to such redemption.

SECTION 10.05. Legal Proceedings by Trustee. If any Event of Default with respect to a Series of Bonds has occurred and is continuing, the Trustee, in its discretion may, and upon the written request of the Holders of not less than a majority of the aggregate principal amount of the Outstanding Bonds of such Series and receipt of indemnity to its satisfaction shall, in its own name:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders of the Bonds of such Series, including, without limitation, the right to require the Issuer to carry out any agreements with, or for the benefit of, the Bondholders of the Bonds of such Series and to perform its or their duties under the Act;

(b) bring suit upon the Series of Bonds;

(c) by action or suit in equity require the Issuer to account as if it were the trustee of an express trust for the Holders of the Bonds of such Series;

(d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds of such Series; and

(e) by other proceeding in law or equity, exercise all rights and remedies provided for by any other document or instrument securing such Series of Bonds.

SECTION 10.06. Discontinuance of Proceedings by Trustee. If any proceeding taken by the Trustee on account of any Event of Default is discontinued or is determined adversely to the Trustee, the Issuer, the Trustee, the Paying Agent and the Bondholders shall be restored to their former positions and rights hereunder as though no such proceeding had been taken.

SECTION 10.07. Bondholders May Direct Proceedings. The Majority Holders of a Series then subject to remedial proceedings under this Article X shall have the right to direct the method and place of conducting all remedial proceedings by the Trustee under the Indenture, provided that such directions shall not be otherwise than in accordance with law or the provisions of the Indenture.

SECTION 10.08. Limitations on Actions by Bondholders. No Bondholder shall have any right to pursue any remedy hereunder unless (a) the Trustee shall have been given written notice of an Event of Default, (b) the Majority Holders shall have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names, (c) the Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities, and (d) the Trustee shall have failed to comply with such request within a reasonable time.

SECTION 10.09. Trustee May Enforce Rights Without Possession of Bonds. All rights under the Indenture and a Series of Bonds may be enforced by the Trustee without the possession of any of the Bonds of such Series or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the Holders of the Bonds of such Series.

SECTION 10.10. Remedies Not Exclusive. Except as limited under Section 15.01 of this Master Indenture, no remedy contained in the Indenture with respect to a Series of Bonds is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 10.11. Delays and Omissions Not to Impair Rights. No delay or omission in respect of exercising any right or power accruing upon any Event of Default shall impair such

right or power or be a waiver of such Event of Default, and every remedy given by this Article X may be exercised from time to time and as often as may be deemed expedient.

SECTION 10.12. Application of Moneys in Event of Default. Any moneys received by the Trustee or the Paying Agent, as the case may be, in connection with any proceedings brought under this Article X with respect to a Series of Bonds shall be applied in the following order of priority:

(a) to the payment of the costs of the Trustee and Paying Agent incurred in connection with actions taken under this Article X with respect to such Series of Bonds, including counsel fees and any disbursements of the Trustee and the Paying Agent and payment of unpaid fees and expenses owed to the Trustee.

(b) then:

FIRST: to payment of all installments of interest then due on the Bonds of such Series in the order of maturity of such installments of interest, 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 preference or priority of one installment of interest over any other installment; and

SECOND: to payment to the persons entitled thereto of the unpaid principal or Redemption Price of any of the Bonds of such Series which shall have become due in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full the principal or Redemption Price coming due on such Bonds on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any preference or priority of one such Bond of a Series over another or of any installment of interest over another.

Any surplus remaining after the payments described above shall be paid to the Issuer or to the Person lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

For purposes of the application of moneys described above, to the extent payments of principal of and interest on a Series of Bonds shall have been made under a Credit Facility relating thereto, the Credit Facility Issuer shall be entitled to moneys in the related Series Accounts in the Debt Service Fund in accordance with the agreement pursuant to which such Credit Facility has been issued (but subject to subsection (a) hereof and Section 11.04 hereof) and the Certified Resolution of the Issuer authorizing the issuance of such Bonds to which such Credit Facility relates.

SECTION 10.13. Trustee's Right to Receiver; Compliance with Act. The Trustee shall be entitled as of right to the appointment of a receiver and the Trustee, the Bondholders and any receiver so appointed shall have such rights and powers and be subject to such limitations and restrictions as are contained in the Act and other applicable law of the State.

SECTION 10.14. Trustee and Bondholders Entitled to all Remedies under Act. It is the purpose of this Article to provide such remedies to the Trustee and Bondholders as may be

lawfully granted under the provisions of the Act and other applicable laws of the State; if any remedy herein granted shall be held unlawful, the Trustee and the Bondholders shall nevertheless be entitled to every other remedy provided by the Act and other applicable laws of the State. It is further intended that, insofar as lawfully possible, the provisions of this Article X shall apply to and be binding upon any receiver appointed in accordance with Section 10.12 hereof.

SECTION 10.15. Credit Facility Issuer's Rights Upon Events of Default. Anything in the Indenture to the contrary notwithstanding, if any Event of Default, other than Events of Default described in Section 10.02(a) or (b) hereof, has occurred and is continuing while a Credit Facility securing all or a portion of such Bonds of a Series Outstanding is in effect, the Credit Facility Issuer shall have the right, in lieu of the Owners of the Series of Bonds (or portion thereof) secured by said Credit Facility, by an instrument in writing, executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under the Indenture, or exercising any trust or power conferred on the Trustee by the Indenture. Said direction shall be controlling to the extent the direction of Owners of the Series of Bonds (or portion thereof) secured by said Credit Facility would have been controlling under this Article. If the Credit Facility Issuer shall be in default in the performance of its obligations under the Credit Facility, said Credit Facility Issuer shall have no rights under this Section.

[END OF ARTICLE X]

ARTICLE XI
THE TRUSTEE; THE PAYING AGENT AND REGISTRAR

SECTION 11.01. 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 XI, to all of which the parties hereto the Bondholders and any Credit Facility Issuer agree. The Trustee shall act as Trustee under this Master Indenture. Subject to the provisions of Section 11.03 hereof, the Trustee shall have only such duties as are expressly set forth herein, and no duties shall be implied on the part of the Trustee.

The Trustee further agrees to comply with the procedures and covenants contained in any arbitrage rebate agreement to which it is a party for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds, to the extent applicable.

SECTION 11.02. No Responsibility for Recitals. The recitals, statements and representations in this Master Indenture or in the Bonds, save only the Trustee's Certificate of Authentication, if any, upon the Bonds, have been made by the Issuer and not by the Trustee and the Trustee shall be under no responsibility for the correctness thereof.

SECTION 11.03. Trustee May Act Through Agents; Answerable Only for Willful Misconduct or 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; the Trustee shall not be answerable for the default or misconduct of any attorney or agent selected and supervised by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under this Master Indenture and any Supplemental Indenture nor for anything whatever in connection with the trust hereunder, except only its own negligence or willful misconduct hereunder.

SECTION 11.04. Compensation and Indemnity. The Issuer shall pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, and shall, to the extent permitted by law, indemnify and hold the Trustee harmless against any liabilities which it may incur in the proper exercise and performance of its powers and duties hereunder, except with respect to its own willful misconduct or negligence hereunder. If the Issuer defaults in respect of the foregoing obligations, the Trustee may deduct the amount owing to it from any moneys held by the Trustee or coming into its hands but exclusive of the Rebate Fund and moneys from a drawing on any Credit Facility, which right of payment shall be prior to the right of the holders of the Bonds. The Trustee shall promptly provide periodic reports of any moneys the Trustee has deducted for amounts owing to it. This Section 11.04 shall survive the termination of this Master Indenture and any Supplemental Indenture and, as to any Trustee, its removal or resignation as Trustee. No provision of this Master Indenture shall require the Trustee to expend or risk its own funds.

SECTION 11.05. 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 Issuer to require or effect or renew insurance or to report or file claims of loss thereunder.

SECTION 11.06. Notice of Default; Right to Investigate. The Trustee shall give written notice by first-class mail to registered Holders of a Series of Bonds of all defaults known to the Trustee, unless such defaults have been remedied (the term “defaults” for purposes of this Section and Section 11.07 being defined to include the events specified as “Events of Default” in Article X hereof, but not including any notice or periods of grace provided for therein); provided that, except in the case of a default in payment of principal or interest or Redemption Price, the Trustee may withhold such notice so long as it in good faith determines that such withholding is in the interest of the Bondholders. The Trustee shall not be deemed to have notice of any default other than a payment default under this Master Indenture and any Supplemental Indenture or a notification by a Credit Facility Issuer of a default under its Credit Facility, unless notified in writing of such default by the Holders of at least a majority of the aggregate principal amount of the Outstanding Bonds of a Series. The Trustee may, however, at any time require of the Issuer 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 Issuer, an investigation into the affairs of the Issuer.

SECTION 11.07. Obligation to Act on Defaults. The Trustee shall be under no obligation to take any action in respect of any default or otherwise, unless it is requested in writing to do so by the Majority Holders which are or would be, upon the taking of such action, subject to remedial proceedings under Article X of this Master Indenture if in its opinion such action may tend to involve expense or liability, and unless it is also furnished with indemnity satisfactory to it.

SECTION 11.08. Reliance by Trustee. The Trustee may act on any requisition, resolution, notice, verifiable electronic communication, telegram, facsimile transmission, request, consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document which it in good faith believes to be genuine and to have been passed, signed or given by the persons purporting to be authorized (which in the case of the Issuer shall be a Responsible Officer) or to have been prepared and furnished pursuant to any of the provisions of this Master Indenture and any Supplemental Indenture; 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 11.09. 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 Bondholders may be entitled to take with like effect as if the Trustee were not a party to this Master Indenture and any Supplemental Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the Issuer; provided, however, that if the Trustee determines that any such relation is in conflict with its duties under this Master Indenture and any Supplemental Indenture, it shall eliminate the conflict or resign as Trustee.

SECTION 11.10. Construction of Ambiguous Provisions. The Trustee may construe any ambiguous or inconsistent provisions of this Master Indenture and any Supplemental Indenture, and except as otherwise provided in Article XIII of this Master Indenture, any construction by the Trustee shall be binding upon the Bondholders. The Trustee shall give prompt notice to the Issuer of any intention to make such construction.

SECTION 11.11. Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by this Master Indenture and all Supplemental Indentures by written resignation filed with the Secretary of the Issuer not less than sixty (60) days before the date when such resignation is to take effect. Notice of such resignation shall be sent by first-class mail to each Bondholder as its name and address appears on the Bond Register and to any Paying Agent, Registrar and Credit Facility Issuer, if any, 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 ninety (90) days after the Trustee has given its notice of resignation, the Trustee may petition any court of competent jurisdiction for the appointment of a temporary successor Trustee to serve as Trustee until a successor Trustee has been duly appointed. Notice of such resignation shall also be given to any rating agency that shall then have in effect a rating on any of the Bonds.

SECTION 11.12. Removal of Trustee. The Trustee may be removed at any time by either (a) the Issuer, if no default exists under this Master Indenture or any Supplemental Indenture, or (b) an instrument or concurrent instruments in writing, executed by the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding and filed with the Issuer. A photographic copy of any instrument or instruments filed with the Issuer under the provisions of this paragraph, duly certified by a Responsible Officer, shall be delivered promptly by the Issuer to the Trustee and to any Paying Agent, Registrar and Credit Facility Issuer, if any.

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 Issuer or the Holders of not less than a majority of the aggregate principal amount of the Bonds then Outstanding.

SECTION 11.13. 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 Issuer shall appoint a successor and shall mail notice of such appointment by first-class mail to each Bondholder as its name and address appear on the Bond Register, and to the Paying Agent, Registrar, Credit Facility Issuer, if any, and any rating agency that shall then have in effect a rating on any of the Bonds. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Master Indenture prior to the date specified in the notice of resignation or removal as the date when such resignation or removal was to take effect, the Majority Holders of all Bonds then Outstanding may appoint a successor Trustee.

SECTION 11.14. Qualification of Successor. A successor Trustee shall be a bank or trust company with trust powers, having a combined net capital and surplus of at least \$50,000,000.

SECTION 11.15. Instruments of Succession. Subject to Section 11.16 hereof, any successor Trustee shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder and thereupon, such successor Trustee, without any further act, deed,

or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named Trustee herein. The Trustee ceasing to act hereunder, after deducting all amounts owed to the Trustee, shall pay over to the successor Trustee all moneys held by it hereunder and, upon request of the successor Trustee, the Trustee ceasing to act and the Issuer shall execute and deliver an instrument or instruments prepared by the Issuer transferring to the successor Trustee all the estates, properties, rights, powers and trusts hereunder of the predecessor Trustee, except for its rights under Section 11.04 hereof.

SECTION 11.16. 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, or any corporation which shall have purchased substantially all of the bond administration business of the corporate trust department shall be the successor Trustee under this Master Indenture and all Supplemental Indentures, without the execution or filing of any paper or any further act on the part of the parties hereto, 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 11.14 hereof, and if such corporation does not meet the aforesaid requirements, a successor Trustee shall be appointed pursuant to this Article XI. The Trustee may not resign as the Paying Agent or the Registrar without resigning as Trustee.

SECTION 11.17. Extension of Rights and Duties of Trustee to Paying Agent and Registrar. The provisions of Sections 11.02, 11.03, 11.04, 11.08, 11.09 and 11.10 hereof are hereby made applicable to the Paying Agent and the Registrar, as appropriate, and any Person serving as Paying Agent and/or Registrar, hereby enters into and agrees to comply with the covenants and agreements of this Master Indenture and all Supplemental Indentures applicable to the Paying Agent and Registrar, respectively.

SECTION 11.18. Resignation of Paying Agent or Registrar. The Paying Agent or Registrar may resign and be discharged of the duties created by this Master Indenture and all Supplemental Indentures 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 Issuer, the Trustee, and any rating agency that shall then have in effect a rating on any of the Bonds, not less than forty-five (45) days before the date specified in such instrument when such resignation shall take effect, and by giving written notice of such resignation not less than three (3) weeks prior to such resignation date to the Bondholders, mailed to their addresses as such appear in the Bond Register. Such resignation shall take effect on the date specified in such instrument and notice, but only if a successor Paying Agent or Registrar shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor Paying Agent or Registrar. If the successor Paying Agent or Registrar shall not have been appointed within a period of ninety (90) days following the giving of notice, then the Paying Agent or Registrar shall be authorized to petition any court of competent jurisdiction to appoint a successor Paying Agent or Registrar as provided in Section 11.22 hereof.

SECTION 11.19. Removal of Paying Agent or Registrar. The Paying Agent or Registrar may be removed at any time prior to any Event of Default by the Issuer by filing with the Paying Agent or Registrar to be removed, and with the Trustee, an instrument or instruments

in writing executed by the Issuer appointing a successor, or an instrument or instruments in writing designating, and accompanied by an instrument or appointment by the Issuer of, such successor. Such removal shall be effective thirty (30) days (or such longer period as may be set forth in such instrument) after delivery of the instrument; provided, however, that no such removal shall be effective until the successor Paying Agent or Registrar appointed hereunder shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder.

SECTION 11.20. Appointment of Successor Paying Agent or Registrar. In case at any time the Paying Agent or Registrar shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a vacancy shall forthwith and ipso facto exist in the office of the Paying Agent or Registrar, as the case may be, and a successor shall be appointed by the Issuer; and in case at any time the Paying Agent or Registrar shall resign, then a successor shall be appointed by the Issuer. After any such appointment, notice of such appointment shall be given by the Issuer to the predecessor Paying Agent or Registrar, the successor Paying Agent or Registrar, the Trustee, the Credit Facility Issuer, if any, any rating agency that shall then have in effect a rating on any of the Bonds, and all Bondholders. Any new Paying Agent or Registrar so appointed shall immediately, and without further act, supersede the predecessor Paying Agent or Registrar.

SECTION 11.21. Qualifications of Successor Paying Agent or Registrar. Every successor Paying Agent or 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, (i) authorized by law to perform all the duties imposed upon it by this Master Indenture and all Supplemental Indentures 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 11.22. Judicial Appointment of Successor Paying Agent or Registrar. In case at any time the Paying Agent or Registrar shall resign and no appointment of a successor Paying Agent or Registrar shall be made pursuant to the foregoing provisions of this Master Indenture prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the retiring Paying Agent or Registrar may forthwith apply to a court of competent jurisdiction for the appointment of a successor Paying Agent or Registrar. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Paying Agent or Registrar. Notice of such appointment shall be given by the Successor Registrar or Paying Agent to the Issuer, the Trustee, the Credit Facility Issuer, if any, any rating agency that shall then have in effect a rating on any of the Bonds, and all Bondholders. In the absence of such an appointment, the Trustee shall become the Registrar or Paying Agent, or and shall so notify the Issuer, any rating agency that shall have issued a rating on the Bonds, and all Bondholders.

SECTION 11.23. Acceptance of Duties by Successor Paying Agent or Registrar. Any successor Paying Agent or Registrar 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 Registrar herein. Upon request of such Paying Agent or Registrar, such predecessor Paying Agent or Registrar and the Issuer shall, after payment of its fees and expenses, execute and deliver an instrument transferring to such successor Paying Agent or Registrar all the estates, property, rights and powers hereunder of such predecessor Paying Agent or Registrar

except for its rights under Section 11.04 hereof and such predecessor Paying Agent or Registrar shall pay over and deliver to the successor Paying Agent or Registrar all moneys and other assets at the time held by it hereunder.

SECTION 11.24. Successor by Merger or Consolidation. Any corporation into which any Paying Agent or 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 Registrar hereunder shall be a party, or any corporation which shall have purchased substantially all of the bond administration business of the corporate trust department shall be the successor Paying Agent or Registrar under this Master Indenture and all Supplemental Indentures without the execution or filing of any paper or any further act on the part of the parties thereto, anything in this Master Indenture or any Supplemental Indenture to the contrary notwithstanding.

[END OF ARTICLE XI]

ARTICLE XII
ACTS OF BONDHOLDERS; EVIDENCE OF OWNERSHIP OF BONDS

SECTION 12.01. Acts of Bondholders; Evidence of Ownership of Bonds. Any action to be taken by Bondholders may be evidenced by one or more concurrent written instruments of similar tenor signed or executed by such Bondholders in person or by an agent appointed in writing. The fact and date of the execution by any person of any such instrument may be provided by acknowledgment before a notary public or other officer empowered to take acknowledgments or by an affidavit of a witness to such execution. Any action by the Owner of any Bond shall bind all future Owners of the same Bond in respect of anything done or suffered by the Issuer, Trustee, Paying Agent or Registrar in pursuance thereof.

[END OF ARTICLE XII]

ARTICLE XIII
AMENDMENTS AND SUPPLEMENTS

SECTION 13.01. Amendments and Supplements Without Bondholders' Consent. This Master Indenture and any Supplemental Indenture may be amended or supplemented, from time to time, without the consent of the Bondholders, by a Supplemental Indenture authorized by a Certified Resolution of the Issuer filed with the Trustee, for one or more of the following purposes:

(a) to add additional covenants of the Issuer or to surrender any right or power herein conferred upon the Issuer;

(b) for any purpose not inconsistent with the terms of the related Indenture, or to cure any ambiguity or to cure, correct or supplement any defective provision (whether because of any inconsistency with any other provision hereof or otherwise) of the related Indenture, in such manner as shall not impair the security hereof or thereof or adversely affect the rights and remedies of the Bondholders;

(c) to provide for the execution of any and all contracts and other documents as may be required in order to effectuate the conveyance of any Project to the State, the County, or any department, agency or branch thereof, or any other unit of government of the State, provided, however, that the Issuer shall have caused to be delivered to the Trustee an opinion of Bond Counsel stating that such conveyance shall not impair the security hereof or adversely affect the rights and remedies of the Bondholders; and

(d) to make such changes as may be necessary in order to reflect amendments to Chapters 170, 190 and 197, Florida Statutes, so long as, in the opinion of counsel to the Issuer, such changes either: (i) do not have a material adverse effect on the Holders of the Bonds; or (ii) if such changes do have an adverse effect, that they nevertheless are required to be made as a result of such amendments.

SECTION 13.02. Amendments With Bondholders' Consent. Subject to the provisions of Section 13.01 hereof, this Master Indenture and any Supplemental Indenture may be amended from time to time by a Supplemental Indenture approved by the Majority Owners of all Outstanding Bonds in the case of the Master Indenture, and of the Series of Bonds then Outstanding and secured by such Supplemental Indenture in the case of an amendment of a Supplemental Indenture including, but not limited to, any material amendment to the Special Assessments and related proceedings which secure a Series of Bonds; provided that with respect to (a) the interest payable upon any Bonds, (b) the dates of maturity or redemption provisions of any Bonds, (c) this Article XIII and (d) the security provisions hereunder or under any Supplemental Indenture, which may only be amended by approval of the Owners of all Bonds to be so amended.

SECTION 13.03. Trustee Authorized to Join in Amendments and Supplements; Reliance on Counsel. The Trustee is authorized to join in the execution and delivery of any Supplemental Indenture or amendment permitted by this Article XIII and in so doing may rely on a written opinion of Counsel that such Supplemental Indenture or amendment is so permitted and

has been duly authorized by the Issuer and that all things necessary to make it a valid and binding agreement have been done. The Trustee shall not be obligated to enter into any Supplemental Indenture or amendment that imposes additional obligations on the Trustee or adversely affects the Trustee's rights and immunities hereunder.

[END OF ARTICLE XIII]

ARTICLE XIV DEFESANCE

SECTION 14.01. Defeasance. When interest on, and principal or Redemption Price (as the case may be) of, the Bonds of a Series or any portion thereof to be defeased have been paid, or there shall have been deposited with the Trustee or such other escrow agent designated in a Certified Resolution of the Issuer (the “Escrow Agent”) moneys sufficient, or Defeasance Securities, the principal of and interest on which, when due, together with any moneys, remaining uninvested, will provide sufficient moneys to fully pay (i) such Bonds of a Series or portion thereof to be defeased, and (ii) any other sums payable hereunder by the Issuer, but only to the extent the Issuer has agreed to pay the same on or before the defeasance of the Bonds, the right, title and interest of the Trustee with respect to such Bonds of a Series or portion thereof to be defeased shall thereupon cease, the lien of the Indenture on the Pledged Revenues, and the Funds and Accounts established under the Indenture shall be defeased and discharged, and the Trustee, on demand of the Issuer, shall release the Indenture as to such Bonds of a Series or portion thereof to be so defeased and shall execute such documents to evidence such release as may be reasonably required by the Issuer and shall turn over to the Issuer or to such Person, body or authority as may be entitled to receive the same all balances remaining in any Series Funds and Accounts (other than the Rebate Fund) upon the defeasance in whole of all of the Bonds of a Series.

SECTION 14.02. Deposit of Funds for Payment of Bonds. If the Issuer deposits with the Escrow Agent moneys sufficient, or Defeasance Securities, the principal of and interest on which, when due, together with any moneys remaining uninvested, will provide sufficient moneys to pay the principal or Redemption Price of any Bonds of a Series becoming due, either at maturity or by redemption or otherwise, together with all interest accruing thereon to the date of maturity or such prior redemption, and reimburses or causes to be reimbursed or pays or causes to be paid the other amounts required to be reimbursed or paid under Section 14.01 hereof, interest on such Bonds of a Series shall cease to accrue on such date of maturity or prior redemption and all liability of the Issuer with respect to such Bonds of a Series shall likewise cease, except as hereinafter provided; provided, however, that (a) if any Bonds are to be redeemed prior to the maturity thereof, notice of the redemption thereof shall have been duly given in accordance with the provisions of Section 8.02 hereof, or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of such notice, and (b) in the event that any Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days following a deposit of moneys with the Escrow Agent, in accordance with this Section, the Issuer shall have given the Escrow Agent, in form satisfactory to the Escrow Agent, irrevocable instructions to mail to the Owners of such Bonds at their addresses as they appear on the Bond Register, a notice stating that a deposit in accordance with this Section has been made with the Escrow Agent and that the Bonds to which such notice relates are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price (as the case may be) of, and interest on, said Bonds of a Series. Thereafter such Bonds shall be deemed not to be Outstanding hereunder and the Owners of such Bonds shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Bonds, and the Escrow Agent shall hold such funds in trust for such Owners. At the time of the deposit referred to above, there shall be delivered to the Escrow Agent a verification from a firm of independent certified public accountants stating that the principal of and interest on the Defeasance Securities, together with the stated amount of any cash remaining on deposit with the

Escrow Agent, will be sufficient without reinvestment to pay the remaining principal of, redemption premium, if any, and interest on such defeased Bonds.

Money so deposited with the Escrow Agent which remains unclaimed three (3) years after the date payment thereof becomes due shall, upon request of the Issuer, if the Issuer is not at the time to the knowledge of the Escrow Agent in default with respect to any covenant in the Indenture or the Bonds of the Series contained, be paid to the Issuer; and the Owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer; provided, however, that the Escrow Agent, before making payment to the Issuer, may, at the expense of and if directed by the Issuer, cause a notice to be published in an Authorized Newspaper, stating that the money remaining unclaimed will be returned to the Issuer after a specified date.

[END OF ARTICLE XIV]

**ARTICLE XV
MISCELLANEOUS PROVISIONS**

SECTION 15.01. Limitations on Recourse. No personal recourse shall be had for any claim based on this Master Indenture or any Supplemental Indenture or the Bonds against any member of the Board of the Issuer, officer, employee or agent, past, present or future, of the Issuer or of any successor body as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

The Bonds of each Series are payable solely from the Pledged Revenues, and any other moneys held by the Trustee under the Indenture for such purpose. There shall be no other recourse under the Bonds, the Indenture or otherwise, against the Issuer or any other property now or hereafter owned by it.

SECTION 15.02. Payment Dates. In any case where an Interest Payment Date or the maturity date of the Bonds or the date fixed for the redemption of any Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

SECTION 15.03. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Bonds.

SECTION 15.04. Illegal Provisions Disregarded. If any term of Master Indenture or any Supplemental Indenture or the Bonds or the application thereof for any reason or circumstances shall to any extent be held invalid or unenforceable, the remaining provisions or the application of such terms or provisions to Persons and situations other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term and provision hereof and thereof shall be valid and enforced to the fullest extent permitted by law.

SECTION 15.05. Substitute Notice. If for any reason it shall be impossible to make duplication of any notice required hereby in a newspaper or newspapers, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice.

SECTION 15.06. Notices. Any notice, demand, direction, request or other instrument authorized or required by this Master Indenture or any Supplemental Indenture to be given to or filed with the Issuer or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this Master Indenture or any Supplemental Indenture if and when personally delivered and receipted for, or if mailed by first class mail, addressed as follows:

(a) As to the Issuer -

Tern Bay Community Development District
c/o JP Ward & Associates, LLC
2900 NE 12 Terrace, Unit #1
Oakland Park, FL 33334
Attention: James P. Ward

(b) As to the Trustee -

U.S. Bank National Association
Corporate Trust Services
500 West Cypress Creek Road, Suite 460
Fort Lauderdale, FL 33309
Attention: Scott A. Schuhle, Vice President

Any of the foregoing may, by notice sent to each of the others, designate a different or additional address to which notices under this Master Indenture or any Supplemental Indenture are to be sent.

All documents received by the Trustee under the provisions of this Master Indenture or any Supplemental Indenture and not required to be redelivered shall be retained in its possession, subject at all reasonable times to the inspection of the Issuer, any Consultant, any Bondholder and the agents and representatives thereof as evidence in writing.

SECTION 15.07. Controlling Law. This Master Indenture and all Supplemental Indentures shall be governed by and construed in accordance with the laws of the State.

SECTION 15.08. Successors and Assigns. All the covenants, promises and agreements in this Master Indenture and all Supplemental Indentures contained by or on behalf of the Issuer or by or on behalf of the Trustee shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 15.09. Headings for Convenience Only. The table of contents and descriptive headings in this Master Indenture are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 15.10. Counterparts. This Master Indenture and any Supplemental Indentures may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 15.11. Appendices and Exhibits. Any and all appendices or exhibits referred to in and attached to this Master Indenture are hereby incorporated herein and made a part hereof for all purposes.

SECTION 15.12. Brokerage Confirmations. Brokerage Confirmations. The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable

regulatory entity grant the Issuer the right to receive individual confirmations of security transactions at no additional cost, as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

SECTION 15.13. Patriot Act of Requirements of Trustee. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identified each person who opens an account. For a non-individual person such as business entity, a charity, a trust, or other legal entity, the Trustee will ask for documentation to verify such non-individual person's formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

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IN WITNESS WHEREOF, Tern Bay Community Development District has caused this Master Indenture to be executed by the Chairperson/Vice Chairperson of its Board and its corporate seal to be hereunto affixed, attested by the Secretary/Assistant Secretary of its Board and U.S. Bank National Association has caused this Master Indenture to be executed by one of its authorized signatories, all as of the day and year first above written.

**TERN BAY COMMUNITY
DEVELOPMENT DISTRICT**

[SEAL]

Attest:

By: _____
Name: _____
Title: Chairperson/Vice Chairperson
Board of Supervisors

By: _____
Name: _____
Title: Secretary/Assistant Secretary
Board of Supervisors

**U.S. BANK NATIONAL
ASSOCIATION**, as Trustee, Paying Agent
and Registrar

By: _____
Name: _____
Title: Vice President/Assistant Vice
President

STATE OF FLORIDA)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____, 2020, by _____ and _____, Chairperson/Vice Chairperson and Secretary/Assistant Secretary of Tern Bay Community Development District (the “Issuer”), who acknowledged that they did so sign the foregoing instrument as such officers for and on behalf of said Issuer; that the same is their free act and deed as such officers, and the free act and deed of said Issuer; and that the seal affixed to said instrument is the seal of said Issuer; that they appeared before me this day in person acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said Issuer, for the uses and purposes therein set forth. They are personally known to me or have produced _____ as identification.

[NOTARIAL SEAL]

Notary: _____
Print Name: _____
NOTARY PUBLIC, STATE OF _____
My commission expires _____

STATE OF FLORIDA)
) SS:
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this _____ day of _____, 2020, by _____, a Vice President/Assistant Vice President of U.S. Bank National Association, as trustee (the "Trustee"), who acknowledged that he/she did so sign said instrument as such officer for and on behalf of the Trustee; that the same is his/her free act and deed as such officer and the free act and deed of the Trustee; that he/she appeared before me on this day in person and acknowledged that he/she, being thereunto duly authorized, signed, for the uses and purposes therein set forth. He/She is personally known to me or has produced _____ as identification.

[NOTARIAL SEAL]

Notary: _____
Print Name: _____
NOTARY PUBLIC, STATE OF _____
My commission expires _____

EXHIBIT A

**LEGAL DESCRIPTION OF
TERN BAY COMMUNITY DEVELOPMENT DISTRICT**

The present boundaries of Tern Bay Community Development District are as follows:

EXHIBIT B

DESCRIPTION OF PROJECT

The Project includes, but is not limited to, the following improvements:

- Stormwater management and control facilities, including, but not limited to, related earthwork and acquisition of certain interests in land;
- Water and wastewater systems, including connection charges;
- Onsite and offsite roadway improvements, including, but not limited to, landscaping and irrigation in public rights of way, entrance features, signalization and impact fees;
- Undergrounding differential cost of electric utilities;
- Wetland and wildlife mitigation; and
- Related incidental costs.

EXHIBIT C

[FORM OF BOND]

R- _____

\$ _____

**UNITED STATES OF AMERICA
STATE OF FLORIDA
CHARLOTTE COUNTY
TERN BAY COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BOND,
SERIES 20__**

Interest Rate

Maturity Date

Date of Original Issuance

CUSIP

Registered Owner:

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that the Tern Bay Community Development District (the "Issuer"), for value received, hereby promises to pay to the registered owner shown above or registered assigns, on the date specified above, from the sources hereinafter mentioned, upon presentation and surrender hereof (except while the herein described Bonds are in book-entry only form, such presentation shall not be required), at the designated corporate trust office of U.S. Bank National Association, initially its corporate trust office located in Fort Lauderdale, Florida, as paying agent (said U.S. Bank National Association and/or any bank or trust company to become successor paying agent being herein called the "Paying Agent"), the Principal Amount set forth above with interest thereon at the Interest Rate per annum set forth above, computed on 360-day year of twelve 30-day months, payable on the first day of November of each year. Principal of this Bond is payable at the designated corporate trust office of U.S. Bank National Association, initially its corporate trust office located in Fort Lauderdale, Florida, in lawful money of the United States of America. Interest on this Bond is payable by check or draft of the Paying Agent made payable to the registered owner and mailed on each Interest Payment Date to the address of the registered owner as such name and address shall appear on the registry books of the Issuer maintained by U.S. Bank National Association, as registrar (said U.S. Bank National Association and any successor registrar being herein called the "Registrar") at the close of business on the fifteenth day of the calendar month preceding each Interest Payment Date or the date on which the principal of a Bond is to be paid (the "Record Date"). Such interest shall be payable from the most recent interest payment date next preceding the date of authentication hereof to which interest has been paid, unless the date of authentication hereof is a May 1 or November 1 to which interest has been paid, in which case from the date of authentication hereof, or unless such date of authentication is prior to _____, 20__, in which case from _____, 20__, or unless the date of authentication hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Record Date and may be paid to the person in whose name this Bond is registered at the close

of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice whereof shall be given to Bondholders of record as of the fifth (5th) day prior to such mailing, at their registered addresses, not less than ten (10) days prior to such Special Record Date, or may be paid, at any time in any other lawful manner, as more fully provided in the Indenture (defined below).

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY OUT OF THE PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE ISSUER, CHARLOTTE COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS, EXCEPT THAT THE ISSUER IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SPECIAL ASSESSMENTS (AS DEFINED IN THE INDENTURE) TO SECURE AND PAY THE BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, CHARLOTTE COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

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 execution of the Trustee, of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, Tern Bay Community Development District has caused this Bond to be signed by the facsimile signature of the Chairperson of its Board of Supervisors and a facsimile of its seal to be imprinted hereon, and attested by the facsimile signature of the Secretary of its Board of Supervisors, all as of the date hereof.

TERN BAY COMMUNITY DEVELOPMENT
DISTRICT

By: _____
Chairperson, Board of Supervisors

(SEAL)

Attest:

By: _____
Secretary, Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds delivered pursuant to the within mentioned Indenture.

Date of Authentication: _____

U.S. Bank National Association, as Trustee

By: _____
Authorized Signatory

[Back of Bond]

This Bond is one of an authorized issue of Bonds of the Tern Bay Community Development District, a community development district duly created, organized and existing under Chapter 190, Florida Statutes (the Uniform Community Development District Act of 1980), as amended (the “Act”), and created pursuant to the Act and by Rule 42VV-1 F.A.C. duly adopted by the Florida Land and Water Adjudicating Commission effective September 15, 2004, designated as “Tern Bay Community Development District Special Assessment Bonds, Series _____” (the “Bonds”), in the aggregate principal amount of _____ Dollars (\$ _____) of like date, tenor and effect, except as to number. The Bonds are being issued under authority of the laws and Constitution of the State of Florida, including particularly the Act, to pay a portion of the design, acquisition, construction of certain public infrastructure improvements consisting of a drainage system, including, but not limited to, offsite improvements and earth work; water distribution and wastewater collection facilities; roadway improvements including, but not limited to, offsite improvements, signage and striping; and related incidental costs. The Bonds shall be issued as fully registered Bonds in authorized denominations, as set forth in the Indenture. The Bonds are issued under and secured by a Master Trust Indenture dated as of _____ 1, 2020, (the “Master Indenture”), as amended and supplemented by a _____ Supplemental Trust Indenture dated as of _____ 1, _____ (the “_____ Supplemental Indenture” and together with the Master Indenture, the “Indenture”), each by and between the Issuer and the Trustee, executed counterparts of which are on file at the corporate trust office of the Trustee in Fort Lauderdale, Florida.

Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Bonds issued under the Indenture, the operation and application of the Debt Service Fund and other Funds and Accounts (each as defined in the Indenture) charged with and pledged to the payment of the principal of, premium, if any, and the interest on the Bonds, the levy and the evidencing and certifying for collection, of Special Assessments, the nature and extent of the security for the Bonds, the terms and conditions on which the Bonds are issued, the rights, duties and obligations of the Issuer and of the Trustee under the Indenture, the conditions under which such Indenture may be amended without the consent of the registered owners of Bonds, the conditions under which such Indenture may be amended with the consent of the registered owners of a majority in aggregate principal amount of the Bonds outstanding, and as to other rights and remedies of the registered owners of the Bonds.

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

It is expressly agreed by the owner of this Bond that such owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, Charlotte County, Florida, the State of Florida or any other political subdivision thereof, or taxation in any form of any real or personal property of the Issuer, Charlotte County, Florida, the State of Florida or any other political subdivision thereof, for the payment of the principal of, premium, if any, and interest on this Bond or the making of any other sinking fund and other payments provided for in the

Indenture, except for Special Assessments to be assessed and levied by the Issuer as set forth in the Indenture.

By the acceptance of this Bond, the owner hereof assents to all the provisions of the Indenture.

This Bond is payable from and secured by Pledged Revenues, as such term is defined in the Indenture, all in the manner provided in the Indenture. The Indenture provides for the levy and the evidencing and certifying, of non-ad valorem assessments in the form of Special Assessments to secure and pay the Bonds.

The Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the redemption price of the Bonds shall be made on the dates specified below. Upon any redemption of Bonds other than in accordance with scheduled Sinking Fund Installments, the Issuer shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding principal amount of Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Bonds. The Sinking Fund Installments as so recalculated shall not result in an increase in the aggregate of the Sinking Fund Installments for all Bonds in any year. In the event of a redemption or purchase occurring less than forty-five (45) days prior to a date on which a Sinking Fund Installment is due, the foregoing recalculation shall not be made to Sinking Fund Installments due in the year in which such redemption or purchase occurs, but shall be made to Sinking Fund Installments for the immediately succeeding and subsequent years.

Optional Redemption

The Bonds are subject to redemption at the option of the Issuer in whole or in part at any time on or after _____ 1, _____, at the redemption prices (expressed as percentages of principal amount to be redeemed) set forth below, plus accrued interest to the redemption date, upon notice from the Issuer to the Trustee as set forth in the Indenture.

<u>Redemption Period</u> <u>(Both Dates Inclusive)</u>	<u>Redemption Price</u>
_____ 1, _____ to _____ 31, _____	%
_____ 1, _____ to _____ 31, _____	
_____ 1, _____ and thereafter	

Mandatory Sinking Fund Redemption

The Bonds are subject to mandatory sinking fund redemption on May 1 in the years and in the principal amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption. Such principal amounts shall be reduced as specified by the Issuer by the principal amount of any Bonds redeemed pursuant to optional or extraordinary mandatory redemption as set forth above or purchased and cancelled pursuant to the provisions of the Indenture.

<u>Year</u>	Principal Amount of Bonds to be Paid	<u>Year</u>	Principal Amount of Bonds to be Paid
-------------	---	-------------	---

Extraordinary Mandatory Redemption in Whole or in Part

The Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any interest payment date (except as otherwise provided in a Supplemental Indenture), at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, (i) from moneys deposited into the Bond Redemption Fund following the payment of Special Assessments on any portion of the District Lands in accordance with the provisions of the Section 9.08 of the Indenture; (ii) when sufficient moneys are on deposit in the related Funds and Accounts (other than the Rebate Fund and any other excluded fund or account as provided in the Supplemental Indenture) to pay and redeem all Outstanding Bonds and accrued interest thereon to the redemption date in addition to all amounts owed to Persons under the Indenture; (iii) if made applicable in a Supplemental Indenture, from moneys in excess of the Debt Service Reserve Requirement in the Debt Service Reserve Fund transferred to the Bond Redemption Fund pursuant to the Indenture; (iv) from excess moneys transferred from the Revenue Fund to the Bond Redemption Fund in accordance with the Indenture; [(v) from moneys, if any, on deposit in the Bond Redemption Fund following condemnation or the sale of any portion of the District Lands benefited by the Project to a governmental entity under threat of condemnation by such governmental entity or the damage or destruction of all or substantially all of the Project when such moneys are not to be used pursuant to the Indenture to repair, replace or restore the Project; provided, however, that at least forty-five (45) days prior to such extraordinary mandatory redemption, the Issuer shall cause to be delivered to the Trustee (x) notice setting forth the redemption date and (y) a certificate of the Consulting Engineer confirming that the repair and restoration of the Project would not be economical or would be impracticable;] or (vi) either prior to the Completion Date or after the Completion Date, as the case may be, from amounts transferred to the Series Account of the Bond Redemption Fund from the Series Account of the Acquisition and Construction Fund in accordance with the Indenture.

Notice of Redemption

The Trustee shall cause notice of redemption to be mailed at least thirty but not more than sixty (60) days prior to the date of redemption to all registered owners of Bonds to be redeemed (as such owners appear on the books of the Registrar on the fifth (5th) day prior to such mailing) and to certain additional parties as set forth in the Indenture; provided, however, that failure to mail any such notice or any defect in the notice or the mailing thereof shall not affect the validity of the redemption of the Bonds for which such notice was duly mailed in accordance with the Indenture. If less than all of the Bonds shall be called for redemption, the notice of redemption shall specify the Bonds to be redeemed. On the redemption date, the Bonds called for redemption will be payable at the corporate trust office of the Paying Agent and on such date interest shall cease to accrue, such Bonds shall cease to be entitled to any benefit under the Indenture and such

Bonds shall not be deemed to be outstanding under the provisions of the Indenture and the registered owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. If the amount of funds so deposited with the Trustee, or otherwise available, is insufficient to pay the redemption price and interest on all Bonds so called for redemption on such date, the Trustee shall redeem and pay on such date an amount of such Bonds for which such funds are sufficient, selecting the Bonds to be redeemed by lot from among all such Bonds called for redemption on such date, and interest on any Bonds not paid shall continue to accrue, as provided in the Indenture.

Partial Redemption of Bonds. If less than all the Bonds of a maturity are to be redeemed, the Trustee shall select the particular Bonds or portions of Bonds to be redeemed by lot in such reasonable manner as the Trustee in its discretion may determine. In the case of any partial redemption of Bonds pursuant to an optional redemption, such redemption shall be effectuated by redeeming Bonds of such maturities in such manner as shall be specified by the Issuer in writing, subject to the provisions of the Indenture. In the case of any partial redemption of Bonds pursuant to an extraordinary mandatory redemption, such redemption shall be effectuated by redeeming Bonds pro rata among the maturities, treating each date on which a Sinking Fund Installment is due as a separate maturity for such purpose, with the portion to be redeemed from each maturity being equal to the product of the aggregate principal amount of Bonds to be redeemed multiplied times a fraction the numerator of which is the principal amount of Bonds of such maturity outstanding immediately prior to the redemption date and the denominator of which is the aggregate principal amount of all Bonds outstanding immediately prior to the redemption date.

The Issuer shall keep books for the registration of the Bonds at the corporate trust office of the Registrar in Fort Lauderdale, Florida. Subject to the restrictions contained in the Indenture, the Bonds may be transferred or exchanged by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the Issuer kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds in authorized form and in like aggregate principal amount in accordance with the provisions of the Indenture. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee, Paying Agent or the Registrar, duly executed by the Bondholder or his attorney duly authorized in writing. Transfers and exchanges shall be made without charge to the Bondholder, except that the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds. Neither the Issuer nor the Registrar on behalf of the Issuer shall be required (i) to issue transfer or exchange any Bond during a period beginning at the opening of business fifteen (15) days before the day of mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Bond so selected for redemption in whole or in part.

The Issuer, the Trustee, the Paying Agent and the Registrar shall deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner thereof (whether or not such Bond shall be overdue and notwithstanding any notation of

ownership or other writing thereon made by anyone other than the Issuer, the Trustee, the Paying Agent or the Registrar) for the purpose of receiving payment of or on account of the principal of, premium, if any, and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, including particularly the Act, and that the issuance of this Bond, and of the issue of the Bonds of which this Bond is one, is in full compliance with all constitutional and statutory limitations or provisions.

STATEMENT OF VALIDATION

This Bond is one of a series of Bond which were validated by judgment of the Circuit Court of the Twentieth Judicial Circuit of Florida, in and for Charlotte County, Florida, rendered on the ____ day of _____, 2020.

Chairperson, Board of Supervisors

Secretary

ABBREVIATIONS

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

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with rights of survivorship and
not as tenants in common

UNIFORM TRANSFER MIN ACT - _____ Custodian _____ (Cust) (_____
Minor)

Under Uniform Transfer to Minors

Act _____
(State)

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

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

(please print or typewrite name and address of assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Signature Guarantee:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Please insert social security or other identifying number of Assignee.

EXHIBIT D
FORM OF REQUISITION

TERN BAY COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 200_

The undersigned, a Responsible Officer of the Tern Bay Community Development District (the “Issuer”) hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture from the Issuer to U.S. Bank National Association, as trustee (the “Trustee”), dated as of _____ 1, 2019, as supplemented by that certain _____ Supplemental Trust Indenture dated as of _____, ____ (the “Indenture”) (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

- (1) Requisition Number:
- (2) Name of Payee pursuant to Acquisition Agreement:
- (3) Amount Payable:
- (4) 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):
- (5) Fund or Account and subaccount, if any, from which disbursement to be made:

The undersigned hereby certifies that:

1. obligations in the stated amount set forth above have been incurred by the Issuer,
or
 this requisition is for Costs of Issuance payable from the Acquisition and Construction Fund that have not previously been paid;
2. each disbursement set forth above is a proper charge against the Acquisition and Construction Fund;
3. each disbursement set forth above was incurred in connection with the acquisition and/or construction of the Project;
4. each disbursement represents a Cost of the Project which has not previously been paid.

The undersigned hereby further certifies that there has not been filed with or served upon the Issuer notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment

of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

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

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

TERN BAY COMMUNITY DEVELOPMENT
DISTRICT

By: _____
Responsible Officer

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

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

Consulting Engineer

49769360v3/190371.010100

FIRST SUPPLEMENTAL TRUST INDENTURE

BETWEEN

TERN BAY COMMUNITY DEVELOPMENT DISTRICT

AND

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of _____ 1, 2020

Authorizing and Securing
\$ _____
TERN BAY COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2020
(2020 PROJECT)

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EXHIBIT A	DESCRIPTION OF THE 2020 PROJECT
EXHIBIT B	FORM OF SERIES 2020 BOND
EXHIBIT C	FORMS OF REQUISITIONS
EXHIBIT D	FORM OF INVESTOR LETTER

THIS FIRST SUPPLEMENTAL TRUST INDENTURE (the “First Supplemental Indenture”), dated as of _____ 1, 2020 between the TERN BAY COMMUNITY DEVELOPMENT DISTRICT (together with its successors and assigns, the “Issuer”), a local unit of special-purpose government organized and existing under the laws of the State of Florida, 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 corporate trust office in Fort Lauderdale, Florida, as trustee (said banking corporation and any bank or trust company becoming successor trustee under this First Supplemental Indenture being hereinafter referred to as the “Trustee”);

W I T N E S S E T H:

WHEREAS, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the “Act”), created pursuant to the Act and by Rule 42VV-1 F.A.C. duly adopted by the Florida Land and Water Adjudicating Commission effective September 15, 2004; and

WHEREAS, the premises governed by the Issuer, as described more fully in the Ordinance, consisting of approximately 1,778 acres of land (herein, the “District Lands” or “District”), are located entirely within the incorporated area of Charlotte County (the “County”); and

WHEREAS, the Issuer has been created for the purpose of delivering certain community development services and facilities for the benefit of the District Lands; and

WHEREAS, the Issuer has determined to undertake, in one or more phases, the acquisition and/or construction of public improvements and community facilities as set forth in the Act for the special benefit of the assessable District Lands; and

WHEREAS, the Issuer has previously adopted Resolution No. 2020-04 on April __, 2020, authorizing the issuance of not to exceed \$35,000,000 in aggregate principal amount of its special assessment bonds (the “Bonds”) to finance all or a portion of the design, acquisition and construction costs of certain improvements pursuant to the Act for the special benefit of the District Lands or portions thereof and approving the form of and authorizing the execution and delivery of a master trust indenture and supplemental indenture; and

WHEREAS, pursuant to that certain Master Trust Indenture dated as of _____ 1, 2020 (the “Master Indenture”) and this First Supplemental Indenture, both by and between the Issuer and the Trustee, the Issuer proposes to issue its herein defined Series 2020 Bonds; and

WHEREAS, to the extent not constructed by the Issuer, Lennar Homes, LLC, a Florida limited liability company (the “Developer”) is the master developer of a residential community located within the District and shall construct all of the public infrastructure necessary to serve such residential community referred to as “Heritage Landing” (herein, the “Development”); and

WHEREAS, the public infrastructure as described on Exhibit A necessary for the development of [DESCRIBE AREA] of the Development is herein referred to as the “2020

Project,” which will be financed with a portion of the Series 2020 Bonds (as defined below) and which area is referred to as the 2020 Assessment Area; and

WHEREAS, the Issuer has determined to issue a Series of Bonds, designated as the Tern Bay Community Development District Special Assessment Bonds, Series 2020 (2020 Project) (the “Series 2020 Bonds”), pursuant to the Master Indenture and this First Supplemental Indenture (hereinafter sometimes collectively referred to as the “Indenture”); and

WHEREAS, in the manner provided herein, the proceeds of the Series 2020 Bonds will be used to provide funds for (i) the Costs of acquiring and/or constructing all or a portion of the 2020 Project, [(ii) funding interest on the Series 2020 Bonds through at least _____]; (iii) the funding of the Series 2020 Reserve Account, and (iv) the payment of the costs of issuance of the Series 2020 Bonds; and

WHEREAS, the Series 2020 Bonds will be secured by a pledge of Series 2020 Pledged Revenues (as hereinafter defined) to the extent provided herein.

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH, that to provide for the issuance of the Series 2020 Bonds, the security and payment of the principal or redemption price thereof (as the case may be) and interest thereon, the rights of the Bondholders and the performance and observance of all of the covenants contained herein and in said Series 2020 Bonds, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Series 2020 Bonds by the Owners thereof, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer does hereby assign, transfer, set over and pledge to U.S. Bank National Association, as Trustee, its successors in trust and its assigns forever, and grants a lien on all of the right, title and interest of the Issuer in and to the Series 2020 Pledged Revenues as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Series 2020 Bonds issued hereunder, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

TO HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien created by the Indenture with respect to the Series 2020 Bonds.

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future Owners of the Series 2020 Bonds issued and to be issued under this First Supplemental Indenture, without preference, priority or distinction as to lien or otherwise (except as otherwise specifically provided in this First Supplemental Indenture) of any one Series 2020 Bond over any other Series 2020 Bond, all as provided in the Indenture.

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal or redemption price of the Series 2020 Bonds issued, secured and Outstanding hereunder and the interest due or to become due thereon, at the times and in the manner mentioned in such Series 2020 Bonds and the Indenture, according to the true intent and meaning thereof and hereof, and the Issuer shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of

the 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 hereof, then upon such final payments this First Supplemental Indenture and the rights hereby granted shall cease and terminate, otherwise this First Supplemental Indenture to be and remain in full force and effect.

ARTICLE I DEFINITIONS

In this First Supplemental Indenture capitalized terms used without definition shall have the meanings ascribed thereto in the Master Indenture and, in addition to certain terms defined in the recitals above, the following terms shall have the meanings specified below, unless otherwise expressly provided or unless the context otherwise requires:

“Acquisition Agreement” shall mean that certain Acquisition Agreement relating to the acquisition of the 2020 Project, by and between the Developer and the Issuer.

“Arbitrage Certificate” shall mean that certain Arbitrage Certificate, including arbitrage rebate covenants, of the Issuer, dated the date of delivery of the Series 2020 Bonds, relating to certain restrictions on arbitrage under the Code with respect to the Bonds.

“Assessment Resolutions” shall mean Resolution No. _____, Resolution No. _____, and Resolution _____ of the Issuer adopted on April __, 2020, April __, 2020, and _____, respectively, as amended and supplemented from time to time.

“Authorized Denomination” shall mean, with respect to the Series 2020 Bonds, on the date of issuance, in the denominations of \$5,000 and any integral multiple thereof provided, however, if any initial beneficial owner does not purchase at least \$100,000 of the Series 2020 Bonds at the time of initial delivery of the Series 2020 Bonds, such beneficial owner must either execute and deliver to the Underwriter on the date of delivery of the Series 2020 Bonds the investor letter substantially in the form attached hereto as Exhibit D or otherwise establish to the satisfaction of the Underwriter that such Beneficial Owner is an “accredited investor,” as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended.

“Bonds” shall mean the Issuer’s Special Assessments Bonds issued pursuant to the Master Indenture.

“Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement for the benefit of the owners of the Series 2020 Bonds, dated the date of delivery of the Series 2020 Bonds, by and among the Issuer, the dissemination agent named therein, the Developer and joined by the parties named therein, in connection with the issuance of the Series 2020 Bonds.

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

“Indenture” shall mean collectively, the Master Indenture and this First Supplemental Indenture.

“Interest Payment Date” shall mean June 15 and December 15 of each year, commencing _____ 15, 2020, and any other date the principal of the Series 2020 Bonds is paid.

“Majority Holders” means the beneficial owners of more than fifty percent (50%) of the Outstanding principal amount of the Series 2020 Bonds.

“Master Indenture” shall mean the Master Trust Indenture, dated as of _____ 1, 2020, by and between the Issuer and the Trustee, as supplemented and amended with respect to matters pertaining solely to the Master Indenture or the Series 2020 Bonds (as opposed to supplements or amendments relating to any Series of Bonds other than the Series 2020 Bonds as specifically defined in this First Supplemental Indenture).

“Paying Agent” shall mean U.S. Bank National Association, and its successors and assigns as Paying Agent hereunder.

“Prepayment” shall mean the payment by any owner of property within the District of the amount of the Series 2020 Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments. The term “Prepayment” also means any proceeds received as a result of accelerating and/or foreclosing the Series 2020 Special Assessments. “Prepayments” shall include, without limitation, Series 2020 Prepayment Principal.

“Quarterly Redemption Date” shall mean March 15, June 15, September 15 and December 15 of any calendar year.

“Redemption Price” shall mean the principal amount of any Series 2020 Bond payable upon redemption thereof pursuant to this First Supplemental Indenture.

“Registrar” shall mean U.S. Bank National Association and its successors and assigns as Registrar hereunder.

“Regular Record Date” shall mean the first day (whether or not a Business Day) of the calendar month for which an Interest Payment Date occurs.

“Resolution” shall mean, collectively, (i) Resolution No. 2020-22 of the Issuer adopted on April ___, 2020, pursuant to which the Issuer authorized the issuance of not exceeding \$35,000,000 aggregate principal amount of its Bonds to finance the construction or acquisition of public infrastructure within the District, and (ii) Resolution No. _____ of the Issuer adopted on _____, pursuant to which the Issuer authorized, among other things, the issuance of the Series 2020 Bonds in an aggregate principal amount of \$_____ to finance a portion of the acquisition and/or construction of the 2020 Project, specifying the details of the Series 2020 Bonds and awarding the Series 2020 Bonds to the purchasers of the Series 2020 Bonds.

“Series 2020 Acquisition and Construction Account” shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this First Supplemental Indenture.

“Series 2020 Bond Redemption Account” shall mean the Series 2020 Bond Redemption Account established as a separate Account within the Bond Redemption Fund pursuant to Section 4.01(g) of this First Supplemental Indenture.

“Series 2020 Bonds” shall mean the \$ _____ aggregate principal amount of Tern Bay Community Development District Special Assessment Bonds, Series 2020 (2020 Project), to be issued as fully registered Bonds in accordance with the provisions of the Master Indenture and this First Supplemental Indenture, and secured and authorized by the Master Indenture and this First Supplemental Indenture.

“Series 2020 Costs of Issuance Account” shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this First Supplemental Indenture.

“Series 2020 General Redemption Subaccount” shall mean the subaccount so designated, established as a separate subaccount under the Series 2020 Bond Redemption Account pursuant to Section 4.01(g) of this First Supplemental Indenture.

“Series 2020 Interest Account” shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(d) of this First Supplemental Indenture.

“Series 2020 Optional Redemption Subaccount” shall mean the subaccount so designated, established as a separate subaccount under the Series 2020 Bond Redemption Account pursuant to Section 4.01(g) of this First Supplemental Indenture.

“Series 2020 Pledged Revenues” shall mean with respect to the Series 2020 Bonds (a) all revenues received by the Issuer from the Series 2020 Special Assessments levied and collected on the assessable lands within the 2020 Assessment Area within the District, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2020 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2020 Special Assessments, and (b) all moneys on deposit in the Funds, Accounts and subaccounts established under the Indenture created and established with respect to or for the benefit of the Series 2020 Bonds; provided, however, that Series 2020 Pledged Revenues shall not include (A) any moneys transferred to the Series 2020 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Series 2020 Costs of Issuance Account of the Acquisition and Construction Fund, and (C) “special assessments” levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or “maintenance assessments” levied and collected by the Issuer under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (A), (B) and (C) of this proviso).

“Series 2020 Prepayment Principal” shall mean the portion of a Prepayment corresponding to the principal amount of Series 2020 Special Assessments being prepaid pursuant to Section 4.05 of this First Supplemental Indenture or as a result of an acceleration of the Series 2020 Special Assessments pursuant to Section 170.10, Florida Statutes, if such Series 2020 Special Assessments are being collected through a direct billing method.

“Series 2020 Prepayment Subaccount” shall mean the subaccount so designated, established as a separate subaccount under the Series 2020 Bond Redemption Account pursuant to Section 4.01(g) of this First Supplemental Indenture.

“Series 2020 Principal Account” shall mean the account so designated, established as a separate account within the Debt Service Fund pursuant to Section 4.01(c) of this First Supplemental Indenture.

“Series 2020 Rebate Fund” shall mean the Fund so designated, established pursuant to Section 4.01(j) of this First Supplemental Indenture.

“Series 2020 Reserve Account” shall mean the Series 2020 Reserve Account established as a separate Account within the Debt Service Reserve Fund pursuant to Section 4.01(f) of this First Supplemental Indenture.

“Series 2020 Reserve Requirement” or “Reserve Requirement” shall mean an amount equal to [_____] % of the maximum annual debt service with respect to the initial principal amount of the Series 2020 Bonds determined on the date of issuance. Any amount in the Series 2020 Reserve Account may, upon final maturity or redemption of all Outstanding Series 2020 Bonds be used to pay principal of and interest on the Series 2020 Bonds at that time. The Series 2020 Reserve Requirement shall be equal to \$_____.

“Series 2020 Revenue Account” shall mean the Account so designated, established as a separate Account within the Revenue Fund pursuant to Section 4.01(b) of this First Supplemental Indenture.

“Series 2020 Sinking Fund Account” shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(e) of this First Supplemental Indenture.

“Series 2020 Special Assessments” shall mean a portion of the Special Assessments levied on the assessable lands within the 2020 Assessment Area within the District as a result of the Issuer’s acquisition and/or construction of the 2020 Project, corresponding in amount to the debt service on the Series 2020 Bonds and designated as such in the methodology report relating thereto.

“Substantially Absorbed” means the date at least _____ % of the principal portion of the Series 2020 Special Assessments have been assigned to residential units within the 2020 Assessment Area that have received certificates of occupancy.

“2020 Assessment Area” shall mean the area within the District representing [DESCRIBE AREA] of the Development and which area is subject to the Series 2020 Special Assessments.

“2020 Project” shall mean all of the public infrastructure deemed necessary for the development of _____ platted residential units within the District generally described on Exhibit A attached hereto.

“Underwriter” shall mean FMSbonds, Inc., the underwriter of the Series 2020 Bonds.

The words “hereof,” “herein,” “hereto,” “hereby,” and “hereunder” (except in the form of Series 2020 Bonds), refer to the entire Indenture.

Every “request,” “requisition,” “order,” “demand,” “application,” “notice,” “statement,” “certificate,” “consent,” or similar action hereunder by the Issuer shall, unless the form or execution thereof is otherwise specifically provided, be in writing signed by the Chairperson or Vice Chairperson and the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary or Responsible Officer of the Issuer.

All words and terms importing the singular number shall, where the context requires, import the plural number and vice versa.

[END OF ARTICLE I]

ARTICLE II
THE SERIES 2020 BONDS

SECTION 2.01. Amounts and Terms of Series 2020 Bonds; Issue of Series 2020 Bonds. No Series 2020 Bonds may be issued under this First Supplemental Indenture except in accordance with the provisions of this Article and Articles II and III of the Master Indenture.

(a) The total principal amount of Series 2020 Bonds that may be issued under this First Supplemental Indenture is expressly limited to \$_____. The Series 2020 Bonds shall be numbered consecutively from R-1 and upwards.

(b) Any and all Series 2020 Bonds shall be issued substantially in the form attached hereto as Exhibit B, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture and with such additional changes as may be necessary or appropriate to conform to the provisions of the Resolution. The Issuer shall issue the Series 2020 Bonds upon execution of this First Supplemental Indenture and satisfaction of the requirements of Section 3.01 of the Master Indenture; and the Trustee shall, at the Issuer's request, authenticate such Series 2020 Bonds and deliver them as specified in the request.

SECTION 2.02. Execution. The Series 2020 Bonds shall be executed by the Issuer as set forth in the Master Indenture.

SECTION 2.03. Authentication. The Series 2020 Bonds shall be authenticated as set forth in the Master Indenture. No Series 2020 Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, as provided in the Master Indenture.

SECTION 2.04. Purpose, Designation and Denominations of, and Interest Accruals on, the Series 2020 Bonds.

(a) The Series 2020 Bonds are being issued hereunder in order to provide funds (i) for the payment of the Costs of acquiring and/or constructing all or a portion of the 2020 Project, (ii) to fund the Series 2020 Reserve Account in an amount equal to the Series 2020 Reserve Requirement, and (iii) to pay the costs of issuance of the Series 2020 Bonds. The Series 2020 Bonds shall be designated "Tern Bay Community Development District Special Assessment Bonds, Series 2020 (2020 Project)," and shall be issued as fully registered bonds without coupons in Authorized Denominations.

(b) The Series 2020 Bonds shall be dated as of the date of initial delivery. Interest on the Series 2020 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the Series 2020 Bonds shall be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a June 15 or December 15 to which interest has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to [December] 15, 2020, in which case from the date of initial delivery or unless the date of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date.

(c) Except as otherwise provided in Section 2.07 of this First Supplemental Indenture in connection with a book entry only system of registration of the Series 2020 Bonds, the principal or Redemption Price of the Series 2020 Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent upon presentation of such Series 2020 Bonds. Except as otherwise provided in Section 2.07 of this First Supplemental Indenture in connection with a book entry only system of registration of the Series 2020 Bonds, the payment of interest on the Series 2020 Bonds shall be made on each Interest Payment Date to the Owners of the Series 2020 Bonds by check or draft drawn on the Paying Agent and mailed on the applicable Interest Payment Date to each Owner as such Owner appears on the Bond Register maintained by the Registrar as of the close of business on the Regular Record Date, at his address as it appears on the Bond Register. Any interest on any Series 2020 Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called “Defaulted Interest”) shall be paid to the Owner in whose name the Series 2020 Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to such mailing, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, any Owner of Series 2020 Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Record Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Record Date.

SECTION 2.05. Debt Service on the Series 2020 Bonds.

(a) The Series 2020 Bonds will mature on December 15 in the years and in the principal amounts, and bear interest at the rates all set forth below, subject to the right of prior redemption in accordance with their terms.

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
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*Term Bonds

(b) Interest on the Series 2020 Bonds will be computed in all cases on the basis of a 360 day year of twelve 30 day months. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by the Series 2020 Bonds on the day before the default occurred.

SECTION 2.06. Disposition of Series 2020 Bond Proceeds. From the net proceeds of the Series 2020 Bonds received by the Trustee in the amount of \$ _____.

(a) \$ _____ derived from the net proceeds of the Series 2020 Bonds shall be deposited in the Series 2020 Interest Account;

(b) \$ _____ derived from the net proceeds of the Series 2020 Bonds (which is an amount equal to the Series 2020 Reserve Requirement) shall be deposited in the Series 2020 Reserve Account of the Debt Service Reserve Fund;

(c) \$ _____ derived from the net proceeds of the Series 2020 Bonds shall be deposited into the Series 2020 Costs of Issuance Account of the Acquisition and Construction Fund for payment of the costs of issuing the Series 2020 Bonds; and

(d) \$ _____ representing the balance of the net proceeds of the Series 2020 Bonds shall be deposited in the Series 2020 Acquisition and Construction Account which the Issuer shall cause to be applied in accordance with Article V of the Master Indenture, Section 4.01(a) of the First Supplemental Indenture and the terms of the Acquisition Agreement.

SECTION 2.07. Book-Entry Form of Series 2020 Bonds. The Series 2020 Bonds shall be issued as one fully registered bond for each maturity of Series 2020 Bonds and deposited with The Depository Trust Company (“DTC”), New York, New York, which is responsible for establishing and maintaining records of ownership for its participants.

As long as the Series 2020 Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes hereof and in the Master Indenture. DTC shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants (“DTC Participants”) and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (“Indirect Participants”). The DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Series 2020 Bonds (“Beneficial Owners”).

Principal and interest on the Series 2020 Bonds registered in the name of Cede & Co. prior to and at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Trustee or the Issuer.

Individuals may purchase beneficial interests in Authorized Denominations in book-entry-only form, without certificated Series 2020 Bonds, through DTC Participants and Indirect Participants.

During the period for which Cede & Co. is registered owner of the Series 2020 Bonds, any notices to be provided to any Beneficial Owner will be provided to Cede & Co. DTC shall be responsible for notices to DTC Participants and DTC Participants shall be responsible for notices

to Indirect Participants, and DTC Participants and Indirect Participants shall be responsible for notices to Beneficial Owners.

The Issuer and the Trustee, if appropriate, shall enter into a blanket letter of representations with DTC providing for such book-entry-only system. Such agreement may be terminated at any time by either DTC or the Issuer in accordance with the procedures of DTC. In the event of such termination, the Issuer shall select another securities depository and in that event, all references herein to DTC or Cede & Co., shall be deemed to be for reference to such successor. If the Issuer does not replace DTC, the Trustee will register and deliver to the Beneficial Owners replacement Series 2020 Bonds in the form of fully registered Series 2020 Bonds in accordance with the instructions from Cede & Co.

In the event DTC, any successor of DTC or the Issuer, but only in accordance with the procedures of DTC, elects to discontinue the book-entry only system, the Trustee shall deliver bond certificates in accordance with the instructions from DTC or its successor and after such time Series 2020 Bonds may be exchanged for an equal aggregate principal amount of Series 2020 Bonds in other Authorized Denominations upon surrender thereof at the designated corporate trust office of the Trustee.

SECTION 2.08. Appointment of Registrar and Paying Agent. The Issuer shall keep, at the designated corporate trust office of the Registrar, books (the “Bond Register”) for the registration, transfer and exchange of the Series 2020 Bonds, and hereby appoints U.S. Bank National Association, as its Registrar to keep such books and make such registrations, transfers, and exchanges as required hereby. U.S. Bank National Association hereby accepts its appointment as Registrar and its duties and responsibilities as Registrar hereunder. Registrations, transfers and exchanges shall be without charge to the Bondholder requesting such registration, transfer or exchange, but such Bondholder shall pay any taxes or other governmental charges on all registrations, transfers and exchanges.

The Issuer hereby appoints U.S. Bank National Association as Paying Agent for the Series 2020 Bonds. U.S. Bank National Association hereby accepts its appointment as Paying Agent and its duties and responsibilities as Paying Agent hereunder.

SECTION 2.09. Conditions Precedent to Issuance of the Series 2020 Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2020 Bonds, all the Series 2020 Bonds shall be executed by the Issuer for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Issuer or upon its order, but only upon the further receipt by the Trustee of:

- (a) Certified copies of the Assessment Resolutions;
- (b) Executed originals of the Master Indenture and this First Supplemental Indenture;
- (c) An opinion of Counsel to the District, also addressed to the Trustee, substantially to the effect that (i) the Issuer has been duly established and validly exists as a community development district under the Act, (ii) the Issuer has good right and lawful authority under the Act to construct and/or purchase the 2020 Project being financed with the proceeds of

the Series 2020 Bonds, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body having lawful jurisdiction in order to own and operate the 2020 Project, (iii) all proceedings undertaken by the Issuer with respect to the Series 2020 Special Assessments have been in accordance with Florida law, (iv) the Issuer has taken all action necessary to levy and impose the Series 2020 Special Assessments, and (v) the Series 2020 Special Assessments are legal, valid and binding liens upon the property against which such Series 2020 Special Assessments are made, coequal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid; and

(d) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Series 2020 Bonds, the Issuer will not be in default in the performance of the terms and provisions of the Master Indenture or this First Supplemental Indenture.

Receipt by the Trustee of the net proceeds from the initial sale of the Series 2020 Bonds shall constitute conclusive evidence of the fulfillment of the conditions precedent for the issuance of the Series 2020 Bonds set forth in this Section 2.09.

[END OF ARTICLE II]

ARTICLE III
REDEMPTION OF SERIES 2020 BONDS

SECTION 3.01. Redemption Dates and Prices. The Series 2020 Bonds shall be subject to redemption at the times and in the manner provided in Article VIII of the Master Indenture and in this Article III. All payments of the Redemption Price of the Series 2020 Bonds shall be made on the dates hereinafter required. Except as otherwise provided in this Section 3.01, if less than all the Series 2020 Bonds are to be redeemed pursuant to an extraordinary mandatory redemption, the Trustee shall select the Series 2020 Bonds or portions of the Series 2020 Bonds to be redeemed pursuant to Section 8.04 of the Master Indenture. Partial redemptions of Series 2020 Bonds shall be made in such a manner that the remaining Series 2020 Bonds held by each Bondholder shall be in Authorized Denominations, except for the last remaining Series 2020 Bond.

The Series 2020 Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the Redemption Price of the Series 2020 Bonds shall be made on the dates specified below.

(a) Optional Redemption. The Series 2020 Bonds may, at the option of the Issuer, provided written notice hereof has been sent to the Trustee at least forty-five (45) days prior to the redemption date (unless the Trustee will accept less than forty-five (45) days' notice), be called for redemption prior to maturity as a whole or in part, at any time, on or after December 15, 20XX (less than all Series 2020 Bonds of a maturity to be selected by lot), at a Redemption Price equal to the principal amount of Series 2020 Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date to the redemption date from moneys on deposit in the Series 2020 Optional Redemption Subaccount of the Series 2020 Bond Redemption Account. If such optional redemption shall be in part, the Issuer shall select such principal amount of Series 2020 Bonds to be optionally redeemed from each maturity so that debt service on the remaining Outstanding Series 2020 Bonds is substantially level.

(b) Extraordinary Mandatory Redemption in Whole or in Part. The Series 2020 Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole or in part, on any date (other than in the case of clause (i) below which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Series 2020 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Series 2020 Prepayment Principal deposited into the Series 2020 Prepayment Subaccount of the Series 2020 Bond Redemption Account following the Prepayment in whole or in part of the Series 2020 Special Assessments on any assessable property within the District in accordance with the provisions of Section 4.05(a) of this First Supplemental Indenture.

(ii) from moneys, if any, on deposit in the Series 2020 Funds, Accounts and Subaccounts (other than the Series 2020 Rebate Fund, the Series 2020 Costs of Issuance Account and the Series 2020 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Series 2020 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Indenture.

(iii) Upon the Completion Date, from any funds remaining on deposit in the Series 2020 Acquisition and Construction Account not otherwise reserved to complete the 2020 Project and which funds have been transferred to the Series 2020 General Redemption Subaccount of the Series 2020 Bond Redemption Account.

(c) Mandatory Sinking Fund Redemption. The Series 2020 Bonds maturing on December 15, 20__ are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2020 Sinking Fund Account on December 15 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

<u>Year</u>	<u>Mandatory Sinking Fund Redemption Amount</u>
-------------	---

*Maturity

The Series 2020 Bonds maturing on December 15, 20__ are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2020 Sinking Fund Account on December 15 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

<u>Year</u>	<u>Mandatory Sinking Fund Redemption Amount</u>
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*Maturity

The Series 2020 Bonds maturing on December 15, 20__ are subject to mandatory sinking fund redemption on December 15 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption. Such principal amounts shall be reduced as specified by the Issuer by the principal amount of any Series 2020 Bonds redeemed pursuant to optional or extraordinary mandatory redemption as set forth herein or purchased and cancelled pursuant to the provisions of the Indenture.

<u>Year</u>	<u>Mandatory Sinking Fund Redemption Amount</u>
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*Maturity

The Series 2020 Bonds maturing on December 15, 20__ are subject to mandatory sinking fund redemption on December 15 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption. Such principal amounts shall be reduced as specified by the Issuer by the principal amount of any Series 2020 Bonds redeemed pursuant to optional or extraordinary mandatory redemption as set forth herein or purchased and cancelled pursuant to the provisions of the Indenture.

<u>Year</u>	<u>Mandatory Sinking Fund Redemption Amount</u>
-------------	---

*Maturity

Upon any redemption or purchase of Series 2020 Bonds other than in accordance with scheduled mandatory sinking fund redemptions, the District shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Series 2020 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 2020 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Series 2020 Bonds in any year. In the event of a redemption or purchase occurring less than forty-five (45) days prior to a date on which a mandatory sinking fund redemption payment is due, the foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption or

purchase occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

SECTION 3.02. Notice of Redemption. When required to redeem Series 2020 Bonds under any provision of this First Supplemental Indenture or directed to redeem Series 2020 Bonds by the Issuer, the Trustee shall give or cause to be given to Owners of the Series 2020 Bonds to be redeemed, notice of the redemption, as set forth in Article VIII of the Master Indenture.

[END OF ARTICLE III]

ARTICLE IV
ESTABLISHMENT OF CERTAIN FUNDS, ACCOUNTS AND SUBACCOUNTS;
ADDITIONAL COVENANTS OF THE ISSUER; PREPAYMENTS;
REMOVAL OF SPECIAL ASSESSMENT LIENS

SECTION 4.01. Establishment of Certain Funds, Accounts and Subaccounts.

(a) The Trustee shall establish a separate Account within the Acquisition and Construction Fund designated as the “Series 2020 Acquisition and Construction Account.” Proceeds of the Series 2020 Bonds shall be deposited into the Series 2020 Acquisition and Construction Account in the amount set forth in Section 2.06 of this First Supplemental Indenture, together with any other moneys that may be transferred to the Series 2020 Acquisition and Construction Account as provided for herein. Such moneys in the Series 2020 Acquisition and Construction Account shall be disbursed by the Trustee as set forth in Section 5.01 of the Master Indenture and this Section 4.01(a), and upon disbursement, the Issuer shall apply such moneys as provided for in the Acquisition Agreement. Any moneys remaining in the Series 2020 Acquisition and Construction Account after the Completion Date, except for any moneys reserved therein for the payment of any Costs of the 2020 Project owed but not yet requisitioned, as evidenced in a certificate from the District Engineer to the Trustee, upon which the Trustee may conclusively rely, and the adoption of a resolution by the Issuer accepting the 2020 Project, as evidenced by a certificate from the District Manager delivered to the Trustee, upon which the Trustee may conclusively rely, shall be transferred by the Trustee to the Series 2020 General Redemption Subaccount of the Series 2020 Bond Redemption Account, and thereafter, the Series 2020 Acquisition and Construction Account shall be closed. Upon presentment to the Trustee of a properly signed requisition in substantially the form attached hereto as Exhibit C, the Trustee shall withdraw moneys from the Series 2020 Acquisition and Construction Account. Pursuant to the Master Indenture, the Trustee shall establish a separate Account within the Acquisition and Construction Fund designated as the “Series 2020 Costs of Issuance Account.” Proceeds of the Series 2020 Bonds shall be deposited into the Series 2020 Costs of Issuance Account in the amount set forth in Section 2.06 of this First Supplemental Indenture. Upon presentment to the Trustee of a properly signed requisition in substantially the form attached hereto as Exhibit C, the Trustee shall withdraw moneys from the Series 2020 Costs of Issuance Account to pay the costs of issuing the Series 2020 Bonds. Six months after the issuance of the Series 2020 Bonds, any moneys remaining in the Series 2020 Costs of Issuance Account in excess of the amounts requested to be disbursed by the Issuer shall be deposited into the Series 2020 Interest Account. Any deficiency in the amount allocated to pay the cost of issuing the Series 2020 Bonds shall be paid from excess Series 2020 Pledged Revenues on deposit in the Series 2020 Revenue Account in accordance with Section 4.02 SEVENTH. When there are no further moneys therein, the Series 2020 Costs of Issuance Account shall be closed.

(b) Pursuant to Section 6.03 of the Master Indenture, the Trustee shall establish a separate Account within the Revenue Fund designated as the “Series 2020 Revenue Account.” Series 2020 Special Assessments and any other amounts required to be deposited therein (except for Prepayments of Series 2020 Special Assessments which shall be identified as such by the Issuer to the Trustee and deposited in the Series 2020 Prepayment Subaccount) shall be deposited by the Trustee into the Series 2020 Revenue Account which shall be applied as set forth in Section 6.03 of the Master Indenture and Section 4.02 of this First Supplemental Indenture.

(c) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the “Series 2020 Principal Account.” Moneys shall be deposited into the Series 2020 Principal Account as provided in Section 6.04 of the Master Indenture and Section 4.02 of this First Supplemental Indenture, and applied for the purposes provided therein.

(d) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the “Series 2020 Interest Account.” Moneys deposited into the Series 2020 Interest Account pursuant to Section 6.04 of the Master Indenture and Sections 2.06 and 4.02 of this First Supplemental Indenture, shall be applied for the purposes provided therein.

(e) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish another separate Account within the Debt Service Fund designated as the “Series 2020 Sinking Fund Account.” Moneys shall be deposited into the Series 2020 Sinking Fund Account as provided in Section 6.04 of the Master Indenture and Section 4.02 of this First Supplemental Indenture and applied for the purposes provided therein and in Section 3.01(c) of this First Supplemental Indenture.

(f) Pursuant to Section 6.05 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Reserve Fund designated as the “Series 2020 Reserve Account.” Proceeds of the Series 2020 Bonds shall be deposited into the Series 2020 Reserve Account in the amount set forth in Section 2.06 of this First Supplemental Indenture, and such moneys, together with any other moneys deposited into the Series 2020 Reserve Account shall be applied for the purposes provided therein and in this Section 4.01(f) of this First Supplemental Indenture.

On each March 15 and September 15 (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the Series 2020 Reserve Account and transfer any excess therein above the Reserve Requirement for the Series 2020 Bonds caused by investment earnings to the Series 2020 Acquisition and Construction Account and after the Completion Date to the Series 2020 Revenue Account.

Notwithstanding any of the foregoing, amounts on deposit in the Series 2020 Reserve Account shall be transferred by the Trustee, in the amounts directed in writing by the Majority Holders of the Series 2020 Bonds to the Series 2020 General Redemption Subaccount of the Series 2020 Bond Redemption Account, if as a result of the application of Article X of the Master Indenture, the proceeds received from lands sold subject to the Series 2020 Special Assessments and applied to redeem a portion of the Series 2020 Bonds is less than the principal amount of Series 2020 Bonds indebtedness attributable to such lands.

(g) Pursuant to Section 6.06 of the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Account within the Bond Redemption Fund designated as the “Series 2020 Bond Redemption Account” and within such Account, a “Series 2020 General Redemption Subaccount,” a “Series 2020 Optional Redemption Subaccount,” and a “Series 2020 Prepayment Subaccount.” Except as otherwise provided in this First Supplemental Indenture regarding Prepayments or in connection with the optional redemption of the Series 2020 Bonds, moneys to be deposited into the Series 2020 Bond Redemption Account as provided in Section

6.06 of the Master Indenture, shall be deposited to the Series 2020 General Redemption Subaccount of the Series 2020 Bond Redemption Account.

(h) Moneys that are deposited into the Series 2020 General Redemption Subaccount of the Series 2020 Bond Redemption Account (including all earnings on investments held therein) shall be used to call Series 2020 Bonds for the extraordinary mandatory redemption in whole, pursuant to Section 3.01(b)(ii) hereof or in part pursuant to Section 3.01(b)(iii) hereof.

(i) Moneys in the Series 2020 Prepayment Subaccount of the Series 2020 Bond Redemption Account (including all earnings on investments held in such Series 2020 Prepayment Subaccount of the Series 2020 Bond Redemption Account) shall be accumulated therein to be used to call for redemption pursuant to Section 3.01(b)(i) hereof an amount of Series 2020 Bonds equal to the amount of money transferred to the Series 2020 Prepayment Subaccount of the Series 2020 Bond Redemption Account for the purpose of such extraordinary mandatory redemption on the dates and at the price provided in such Section 3.01(b)(i) hereof.

(j) The Issuer hereby directs the Trustee to establish a Series 2020 Rebate Fund designated as the "Series 2020 Rebate Fund." Moneys shall be deposited into the Series 2020 Rebate Fund, as provided in the Arbitrage Certificate and Section 4.02 SEVENTH herein and applied for the purposes provided therein.

(k) Any moneys on deposit in the Series 2020 Optional Redemption Subaccount shall be used to optionally redeem all or a portion of the Series 2020 Bonds pursuant to Section 3.01(a) hereof.

SECTION 4.02. Series 2020 Revenue Account. The Trustee shall transfer from amounts on deposit in the Series 2020 Revenue Account to the Funds, Accounts and subaccounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, upon receipt but no later than the Business Day next preceding each December 15 commencing December 15, 20__, to the Series 2020 Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2020 Bonds becoming due on the next succeeding December 15, less any amount on deposit in the Series 2020 Interest Account not previously credited;

SECOND, upon receipt but no later than the Business Day next preceding each June 15 commencing June 15, 20__, to the Series 2020 Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2020 Bonds becoming due on the next succeeding June 15, less any amounts on deposit in the Series 2020 Interest Account not previously credited;

THIRD, no later than the Business Day next preceding each December 15, commencing December 15, 20__, to the Series 2020 Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Series 2020 Bonds subject to sinking fund redemption on such December 15, less any amount on deposit in the Series 2020 Sinking Fund Account not previously credited;

FOURTH, no later than the Business Day next preceding each December 15, which is the principal payment date for any Series 2020 Bonds, to the Series 2020 Principal Account of the Debt Service Fund, an amount equal to the principal amount of Series 2020 Bonds Outstanding maturing on such December 15, less any amounts on deposit in the Series 2020 Principal Account not previously credited;

FIFTH, notwithstanding the foregoing, at any time the Series 2020 Bonds are subject to redemption on a date which is not a June 15 or December 15 Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2020 Interest Account, the amount necessary to pay interest on the Series 2020 Bonds subject to redemption on such date;

SIXTH, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Series 2020 Bonds remain Outstanding, to the Series 2020 Reserve Account, an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2020 Reserve Requirement for the Series 2020 Bonds; and

SEVENTH, subject to the foregoing paragraphs, the balance of any moneys remaining after making the foregoing deposits shall be deposited into the Series 2020 Costs of Issuance Account to cover any deficiencies in the amount allocated to pay the cost of issuing the Series 2020 Bonds and next, any balance in the Series 2020 Revenue Account shall remain on deposit in such Series 2020 Revenue Account, unless pursuant to the Arbitrage Certificate, it is necessary to make a deposit into the Series 2020 Rebate Fund , in which case, the Issuer shall direct the Trustee to make such deposit thereto.

SECTION 4.03. Power to Issue Series 2020 Bonds and Create Lien. The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Series 2020 Bonds, to execute and deliver the Indenture and to pledge the Series 2020 Pledged Revenues for the benefit of the Series 2020 Bonds to the extent set forth herein. The Series 2020 Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Series 2020 Bonds. The Series 2020 Bonds and the provisions of the Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Owners of the Series 2020 Bonds under the Indenture against all claims and demands of all persons whomsoever.

SECTION 4.04. 2020 Project to Conform to Consulting Engineers Report. Upon the issuance of the Series 2020 Bonds, the Issuer will promptly proceed to construct or acquire the 2020 Project, as described in Exhibit A hereto and in the Consulting Engineer's Report relating thereto, all pursuant to the terms and provisions of the Acquisition Agreement.

SECTION 4.05. Prepayments; Removal of the Series 2020 Special Assessment Liens.

(a) At any time any owner of property within the District, which Property is subject to the Series 2020 Special Assessments may, at its option, or as a result of acceleration of the Series 2020 Special Assessments because of non-payment thereof, or as a result of a true-up

payment, shall require the Issuer to reduce or release and extinguish the lien upon its property by virtue of the levy of the Series 2020 Special Assessments by paying or causing there to be paid, to the Issuer all or a portion of the Series 2020 Special Assessment, which shall constitute Series 2020 Prepayment Principal, plus, accrued interest to the next succeeding Interest Payment Date (or the succeeding Interest Payment Date if such Prepayment is made within forty-five (45) calendar days before an Interest Payment Date), attributable to the property subject to the Special Assessment owned by such owner.

(b) Upon receipt of Series 2020 Prepayment Principal as described in paragraph (a) above, subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such action as is necessary to record in the official records of the District that the Series 2020 Special Assessment has been paid in whole or in part and that such Series 2020 Special Assessment lien is thereby reduced, or released and extinguished, as the case may be.

The Trustee may conclusively rely on the Issuer's determination of what moneys constitute Prepayments. The Trustee shall calculate the amount available for the extraordinary mandatory redemption of the applicable Series 2020 Bonds pursuant to Section 3.01(b)(i) hereof forty-five (45) days prior to each Quarterly Redemption Date and will withdraw money from the Series 2020 Reserve Account as a credit against the amount of Prepayment that is owed. No credit shall be given if as a result the Reserve Requirement shall be less than is required after taking into account the proposed extraordinary mandatory redemption pursuant to Section 3.01(b)(i) hereof. At any time such Prepayment is not in an integral multiple of \$5,000, the Trustee shall withdraw moneys from the Series 2020 Revenue Account to round-up to an integral multiple of \$5,000 and deposit such amount into the Series 2020 Prepayment Subaccount. Notwithstanding the foregoing, the Trustee shall not be authorized to withdraw any moneys from the Series 2020 Revenue Account unless all of the deposits required under Section 4.02 hereof have or can be made to the next succeeding Interest Payment Date.

[END OF ARTICLE IV]

ARTICLE V
COVENANTS AND DESIGNATIONS OF THE ISSUER

SECTION 5.01. Collection of Series 2020 Special Assessments. Pursuant to the terms and provisions of the Master Indenture and except as provided in the next succeeding sentence, the Issuer shall collect the Series 2020 Special Assessments relating to the acquisition and construction of the 2020 Project through the Uniform Method of Collection (the “Uniform Method”) afforded by Chapter 197, Florida Statutes. Pursuant to the terms and provisions of the Master Indenture, the Issuer shall, pursuant to the provisions of the Assessment Resolutions, directly collect the Series 2020 Special Assessments levied in lieu of the Uniform Method with respect to any assessable lands which have not yet been platted, or the timing for using the Uniform Method will not yet allow for using such method, unless the Trustee at the direction of the Majority Holders directs the Issuer otherwise. In addition, and not in limitation of, the covenants contained elsewhere in this First Supplemental Indenture and in the Master Indenture, the Issuer covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2020 Special Assessments, and to levy the Series 2020 Special Assessments in such manner as will generate funds sufficient to pay debt service on the Series 2020 Bonds when due. All Series 2020 Special Assessments that are collected directly by the Issuer shall be due and payable by the landowner not later than thirty (30) days prior to each Interest Payment Date.

SECTION 5.02. Continuing Disclosure. Contemporaneously with the execution and delivery hereof, the Issuer has executed and delivered a Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934. The Issuer covenants and agrees to comply with the provisions of such Continuing Disclosure Agreement applicable to it; however, as set forth therein, failure to so comply shall not constitute an Event of Default hereunder, but shall instead be enforceable by mandamus or any other means of specific performance.

SECTION 5.03. Investment of Funds, Accounts and Subaccounts. The provisions of Section 7.02 of the Master Indenture shall apply to the investment and reinvestment of moneys in the Series 2020 Accounts and subaccounts therein created hereunder.

SECTION 5.04. Additional Obligations. The Issuer covenants not to issue any other Bonds or other debt obligations secured by the Series 2020 Special Assessments. Such covenant shall not prohibit the Issuer from issuing refunding Bonds. In addition, the Issuer covenants not to issue any other Bonds or debt obligations for capital projects, secured by special assessments on the land within the District which secure the Series 2020 Special Assessments, until the Series 2020 Special Assessments are Substantially Absorbed. The Issuer shall provide the Trustee with a certification that the 2020 Special Assessments are Substantially Absorbed and the Trustee may conclusively rely upon such certification and shall have no duty to verify if the 2020 Special Assessments are Substantially Absorbed. Notwithstanding any provision in the Indenture to the contrary, the Issuer may issue other Bonds or debt obligations secured by Special Assessments levied upon the 2020 Project, other than the Series 2020 Special Assessments, at any time upon the written consent of the Majority Holders.

SECTION 5.05. Acknowledgement Regarding Series 2020 Acquisition and Construction Account Moneys Following an Event of Default. In accordance with the provisions of the Indenture, upon the occurrence of an Event of Default with respect to the Series 2020 Bonds,

the Series 2020 Bonds are payable solely from the Series 2020 Pledged Revenues and any other moneys held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the Issuer hereby acknowledges that, upon the occurrence of an Event of Default with respect to the Series 2020 Bonds, (i) the Series 2020 Pledged Revenues include, without limitation, all amounts on deposit in the Series 2020 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) the Series 2020 Pledged Revenues may not be used by the Issuer (whether to pay costs of the 2020 Project or otherwise) without the consent of the Majority Holders, and (iii) the Series 2020 Pledged Revenues may be used by the Trustee, at the direction or with the approval of the Majority Holders, to pay the reasonable costs and expenses incurred in connection with the pursuit of remedies under the Indenture. The Issuer covenants not to enter into any contract regarding the 2020 Project from and after the occurrence of an Event of Default without the written direction of the Majority Holders.

[END OF ARTICLE V]

ARTICLE VI
THE TRUSTEE; THE PAYING AGENT AND REGISTRAR

SECTION 6.01. Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created and agrees to perform such trusts upon the terms and conditions set forth in the Indenture. The Trustee agrees to act as Paying Agent and Registrar for the Series 2020 Bonds.

SECTION 6.02. Trustee's Duties. The Trustee shall not be responsible in any manner for the due execution of this First Supplemental Indenture by the Issuer or for the recitals contained herein (except for the certificate of authentication on the Series 2020 Bonds), all of which are made solely by the Issuer. Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlement inuring to the Trustee under the Master Indenture.

SECTION 6.03. Brokerage Confirmations. The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer the right to receive individual confirmations of security transactions at no additional cost, as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

[END OF ARTICLE VI]

ARTICLE VII
MISCELLANEOUS PROVISIONS

SECTION 7.01. Interpretation of First Supplemental Indenture. This First Supplemental Indenture amends and supplements the Master Indenture with respect to the Series 2020 Bonds, and all of the provisions of the Master Indenture, to the extent not inconsistent herewith, are incorporated in this First Supplemental Indenture by reference. To the maximum extent possible, the Master Indenture and the First Supplemental Indenture shall be read and construed as one document.

SECTION 7.02. Amendments. Any amendments to this First Supplemental Indenture shall be made pursuant to the provisions for amendment contained in the Master Indenture.

SECTION 7.03. Counterparts. This First Supplemental Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 7.04. Appendices and Exhibits. Any and all schedules, appendices or exhibits referred to in and attached to this First Supplemental Indenture are hereby incorporated herein and made a part of this First Supplemental Indenture for all purposes.

SECTION 7.05. Payment Dates. In any case in which an Interest Payment Date or the maturity date of the Series 2020 Bonds or the date fixed for the redemption of any Series 2020 Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

SECTION 7.06. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Series 2020 Bonds.

SECTION 7.07. Patriot Act Requirements of the Trustee. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity, the Trustee will ask for documentation to verify such non-individual person's formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, Tern Bay Community Development District has caused this First Supplemental Trust Indenture to be executed by the Chairperson or Vice Chairperson of its Board of Supervisors and its corporate seal to be hereunto affixed and attested by the Secretary or an Assistant Secretary of its Board of Supervisors and U.S. Bank National Association has caused this First Supplemental Trust Indenture to be executed by one of its authorized signatories, all as of the day and year above written.

TERN BAY COMMUNITY
DEVELOPMENT DISTRICT

[SEAL]

Attest:

By: _____
Name: _____
Title: Chairperson/Vice Chairperson
Board of Supervisors

By: _____
Name: _____
Title: Secretary/Assistant Secretary
Board of Supervisors

U.S. BANK NATIONAL ASSOCIATION,
as Trustee, Paying Agent and Registrar

By: _____
Name: _____
Title: Vice President/Assistant Vice
President

STATE OF FLORIDA)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this _____ day of _____, 2020, by _____ and _____, Chairperson/Vice Chairperson and Secretary/Assistant Secretary of Tern Bay Community Development District (the “Issuer”), who acknowledged that they did so sign the foregoing instrument as such officers for and on behalf of said Issuer; that the same is their free act and deed as such officers, and the free act and deed of said Issuer; and that the seal affixed to said instrument is the seal of said Issuer; that they appeared before me this day in person acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said Issuer, for the uses and purposes therein set forth. They are personally known to me or have produced _____ as identification.

[NOTARIAL SEAL]

Notary: _____
Print Name: _____
NOTARY PUBLIC, STATE OF _____
My commission expires _____

STATE OF FLORIDA)
) SS:
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this _____ day of _____, 2020, by _____, a Vice President/Assistant Vice President of U.S. Bank National Association, as trustee (the "Trustee"), who acknowledged that he/she did so sign said instrument as such officer for and on behalf of the Trustee; that the same is his/her free act and deed as such officer and the free act and deed of the Trustee; that he/she appeared before me on this day in person and acknowledged that he/she, being thereunto duly authorized, signed, for the uses and purposes therein set forth. He/She is personally known to me or has produced _____ as identification.

[NOTARIAL SEAL]

Notary: _____
Print Name: _____
NOTARY PUBLIC, STATE OF _____
My commission expires _____

EXHIBIT A
DESCRIPTION OF 2020 PROJECT

The 2020 Project includes, but is not limited to, the following improvements:

- Stormwater management and control facilities, including, but not limited to, related earthwork and acquisition of lands relating thereto;
- Offsite and onsite roadway improvements and impact fees;
- Offsite and onsite water and wastewater facilities and connection charges;
- Landscaping, irrigation and hardscape in public rights-of-way;
- Differential cost of undergrounding electric utility lines;
- Wetland and wildlife mitigation; and
- All related soft and incidental costs.

EXHIBIT B

[FORM OF SERIES 2020 BOND]

R-1

\$ _____

**UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF CHARLOTTE
TERN BAY COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BOND, SERIES 2020
(2020 PROJECT)**

Interest Rate Maturity Date Date of Original Issuance CUSIP
_____ %

Registered Owner:-----Cede & Co.-----

Principal Amount:--

KNOW ALL PERSONS BY THESE PRESENTS that the Tern Bay Community Development District (the "Issuer"), for value received, hereby promises to pay to the registered owner shown above or registered assigns, on the date specified above, from the sources hereinafter mentioned, upon presentation and surrender hereof (except while the herein defined Series 2020 Bonds are in book-entry only form such presentation shall not be required), at the designated corporate trust office of U.S. Bank National Association, as paying agent (said U.S. Bank National Association and/or any bank or trust company to become successor paying agent being herein called the "Paying Agent"), the Principal Amount set forth above (with interest thereon at the Interest Rate per annum set forth above, computed on a 360-day year of twelve 30-day months), said principal payable on the Maturity Date stated above. Principal of this Bond is payable at the designated corporate trust office of U.S. Bank National Association, located in Fort Lauderdale, Florida, in lawful money of the United States of America. Interest on this Bond is payable by check or draft of the Paying Agent made payable to the registered owner and mailed on each June 15 and December 15, commencing _____ 15, 20__ to the address of the registered owner as such name and address shall appear on the registry books of the Issuer maintained by U.S. Bank National Association, as registrar (said U.S. Bank National Association and any successor registrar being herein called the "Registrar") at the close of business on the fifteenth day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date or the date on which the principal of a Bond is to be paid (the "Record Date"). Such interest shall be payable from the most recent interest payment date next preceding the date of authentication hereof to which interest has been paid, unless the date of authentication hereof is a June 15 or December 15 to which interest has been paid, in which case from the date of authentication hereof, or unless such date of authentication is prior to _____ 15, 20__, in which case from the date of initial delivery, or unless the date of authentication hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Record Date and may be paid to the person in whose name this Bond is

registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by U.S. Bank National Association, as Trustee (said U.S. Bank National Association and any successor trustee being herein called the "Trustee"), notice whereof shall be given to Bondholders of record as of the fifth (5th) day prior to such mailing, at their registered addresses, not less than ten (10) days prior to such Special Record Date, or may be paid, at any time in any other lawful manner, as more fully provided in the Indenture (defined below). Any capitalized term used in this Bond and not otherwise defined shall have the meaning ascribed to such term in the Indenture.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY OUT OF THE PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE ISSUER, CHARLOTTE COUNTY, FLORIDA (THE "COUNTY"), THE STATE OF FLORIDA (THE "STATE"), OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS, EXCEPT THAT THE ISSUER IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, THE SERIES 2020 SPECIAL ASSESSMENTS (AS DEFINED IN THE INDENTURE) TO SECURE AND PAY THE BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

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 execution of the Trustee of the certificate of authentication endorsed hereon.

This Bond is one of an authorized issue of Bonds of the Tern Bay Community Development District, a community development district duly created, organized and existing under Chapter 190, Florida Statutes (the Uniform Community Development District Act of 1980), as amended (the "Act") and created pursuant to the Act and by Rule 42VV-1 F.A.C. duly adopted by the Florida Land and Water Adjudicating Commission effective September 15, 2004, designated as "Tern Bay Community Development District Special Assessment Bonds, Series 2020 (2020 Project)" (the "Bonds" or the "Series 2020 Bonds"), in the aggregate principal amount of _____ MILLION _____ HUNDRED THOUSAND AND 00/100 DOLLARS (\$_____ .00) of like date, tenor and effect, except as to number, denomination, interest rate and maturity date. The Series 2020 Bonds are being issued under authority of the laws and Constitution of the State of Florida, including particularly the Act, to pay the costs of constructing and/or acquiring the 2020 Project (as defined in the herein referred to Indenture). The Series 2020 Bonds shall be issued as fully registered bonds in authorized denominations, as set forth in the Indenture. The Bonds are issued under and secured by a Master Trust Indenture dated as of _____ 1, 2020 (the "Master Indenture"), as amended by a First Supplemental Trust Indenture dated as of _____ 1, 2020 (the "First Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each by and between the Issuer and the Trustee, executed counterparts of which are on file at the designated corporate trust office of the Trustee in Fort Lauderdale, Florida.

Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Series 2020 Bonds issued under the Indenture, the operation and application of the Debt Service Fund, the Series 2020 Reserve Account within the Debt Service Reserve Fund and other Funds, Accounts and subaccounts (each as defined in the Indenture) charged with and pledged to the payment of the principal of and the interest on the Series 2020 Bonds, the levy and the evidencing and certifying for collection, of the Series 2020 Special Assessments, the nature and extent of the security for the Bonds, the terms and conditions on which the Series 2020 Bonds are issued, the rights, duties and obligations of the Issuer and of the Trustee under the Indenture, the conditions under which such Indenture may be amended without the consent of the registered owners of the Series 2020 Bonds, the conditions under which such Indenture may be amended with the consent of the Majority Holders of the Series 2020 Bonds outstanding, and as to other rights and remedies of the registered owners of the Series 2020 Bonds.

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

It is expressly agreed by the owner of this Bond that such owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, the County, the State or any other political subdivision thereof, or taxation in any form of any real or personal property of the Issuer, the County, the State or any other political subdivision thereof, for the payment of the principal of and interest on this Bond or the making of any other sinking fund and other payments provided for in the Indenture, except for the Series 2020 Special Assessments to be assessed and levied by the Issuer as set forth in the Indenture.

By the acceptance of this Bond, the owner hereof assents to all the provisions of the Indenture.

This Bond is payable from and secured by Series 2020 Pledged Revenues, as such term is defined in the Indenture, all in the manner provided in the Indenture. The Indenture provides for the levy and the evidencing and certifying, of non-ad valorem assessments in the form of the Series 2020 Special Assessments to secure and pay the Bonds.

The Series 2020 Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the redemption price of the Series 2020 Bonds shall be made on the dates specified below. Upon any redemption of Series 2020 Bonds other than in accordance with scheduled mandatory sinking fund redemption, the Issuer shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Series 2020 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 2020 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Series 2020 Bonds in any year. In the event of a redemption or purchase occurring less than forty-five (45) days prior to a date on which a mandatory sinking fund redemption payment is due, the foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption

or purchase occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

Optional Redemption

The Series 2020 Bonds are subject to redemption prior to maturity at the option of the Issuer, as a whole or in part, at any time, on or after December 15, 20__ (less than all Series 2020 Bonds of a maturity to be selected by lot), at a Redemption Price equal to the principal amount of the Series 2020 Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date to the redemption date.

Mandatory Sinking Fund Redemption

The Series 2020 Bonds maturing on December 15, 20__ are subject to mandatory sinking fund redemption on December 15 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption. Such principal amounts shall be reduced as specified by the Issuer by the principal amount of any Series 2020 Bonds redeemed pursuant to optional or extraordinary mandatory redemption as set forth herein or purchased and cancelled pursuant to the provisions of the Indenture.

<u>Year</u>	<u>Mandatory Sinking Fund Redemption Amount</u>
-------------	---

*Maturity

The Series 2020 Bonds maturing on December 15, 20__ are subject to mandatory sinking fund redemption on December 15 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption. Such principal amounts shall be reduced as specified by the Issuer by the principal amount of any Series 2020 Bonds redeemed pursuant to optional or extraordinary mandatory redemption as set forth herein or purchased and cancelled pursuant to the provisions of the Indenture.

Year **Mandatory Sinking Fund
Redemption Amount**

*Maturity

The Series 2020 Bonds maturing on December 15, 20__ are subject to mandatory sinking fund redemption on December 15 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption. Such principal amounts shall be reduced as specified by the Issuer by the principal amount of any Series 2020 Bonds redeemed pursuant to optional or extraordinary mandatory redemption as set forth herein or purchased and cancelled pursuant to the provisions of the Indenture.

Year **Mandatory Sinking Fund
Redemption Amount**

*Maturity

The Series 2020 Bonds maturing on December 15, 20__ are subject to mandatory sinking fund redemption on December 15 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption. Such principal amounts shall be reduced as specified by the Issuer by the principal amount of any Series 2020 Bonds redeemed pursuant to optional or extraordinary mandatory redemption as set forth herein or purchased and cancelled pursuant to the provisions of the Indenture.

Year **Mandatory Sinking Fund**
Redemption Amount

*Maturity

Extraordinary Mandatory Redemption in Whole or in Part

The Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole or in part on any date (other than in the case of clause (i) below which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date.

(i) from Series 2020 Prepayment Principal deposited into the Series 2020 Prepayment Subaccount of the Series 2020 Bond Redemption Account following the Prepayment in whole or in part of Series 2020 Special Assessments on any assessable lands within the District in accordance with the provisions of Section 4.05(a) of the First Supplemental Indenture.

(ii) from moneys, if any, on deposit in the Series 2020 Funds, Accounts and Subaccounts in the Funds, Accounts and subaccounts (other than the Series 2020 Rebate Fund, the Series 2020 Costs of Issuance Account and the Series 2020 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Series 2020 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Indenture.

(iii) upon the Completion Date, from any funds remaining on deposit in the Series 2020 Acquisition and Construction Account not otherwise reserved to complete the 2020 Project and which funds have been transferred to the Series 2020 General Redemption Subaccount of the Series 2020 Bond Redemption Account.

Except as otherwise provided in the Indenture, if less than all of the Bonds subject to redemption shall be called for redemption, the particular such Bonds or portions of such Bonds to be redeemed shall be selected randomly by the Trustee, as provided in the Indenture.

Notice of each redemption of the Bonds is required to be mailed by the Trustee by class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to each Registered Owner of the Bonds to be redeemed at the address of such Registered

Owner recorded on the bond register maintained by the Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Trustee or the Paying Agent, all as provided in the Indenture, the 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 Bonds or such portions thereof on such date, interest on such Bonds or such portions thereof so called for redemption shall cease to accrue, such 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 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Trustee or the Paying Agent. Further notice of redemption shall be given by the Trustee 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. Notwithstanding the foregoing, the Trustee is authorized to give conditional notice of redemption as provided in the Master Indenture.

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

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

Any moneys held by the Trustee or Paying Agent in trust for the payment and discharge of any Bond which remain unclaimed for three (3) years after the date when such Bond has become due and payable, either at its stated maturity date or by call for earlier redemption shall be paid to the Issuer, thereupon and thereafter no claimant shall have any rights against the Trustee or Paying Agent to or in respect of such moneys.

If the Issuer deposits or causes to be deposited with the Trustee funds or Defeasance Securities (as defined in the Master 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 such Bonds as to the trust estate with respect to such Bonds 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.

The Issuer shall keep books for the registration of the Bonds at the designated corporate trust office of the Registrar in Fort Lauderdale, Florida. Subject to the restrictions contained in the Indenture, the Bonds may be transferred or exchanged by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the Issuer kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. In all cases in

which the privilege of transferring or exchanging Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds in authorized form and in like aggregate principal amount in accordance with the provisions of the Indenture. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee, Paying Agent or the Registrar, duly executed by the Bondholder or his attorney duly authorized in writing. Transfers and exchanges shall be made without charge to the Bondholder, except that the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

The Issuer, the Trustee, the Paying Agent and the Registrar shall deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner thereof (whether or not such Bond shall be overdue) for the purpose of receiving payment of or on account of the principal of, premium, if any, and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in connection with the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, including particularly the Act, and that the issuance of this Bond, and of the issue of the Bonds of which this Bond is one, is in full compliance with all constitutional and statutory limitations or provisions.

IN WITNESS WHEREOF, Tern Bay Community Development District has caused this Bond to be signed by the manual signature of the Chairperson or Vice Chairperson of its Board of Supervisors and its seal to be imprinted hereon, and attested by the manual signature of the Secretary or an Assistant Secretary of its Board of Supervisors, all as of the date hereof.

TERN BAY COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Chairperson/Vice Chairperson
Board of Supervisors

(SEAL)

Attest:

By: _____
Secretary/Assistant Secretary
Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds delivered pursuant to the within mentioned Indenture.

Date of Authentication: _____

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Vice President/Assistant Vice President

STATEMENT OF VALIDATION

This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court of the Twentieth Judicial Circuit of Florida, in and for Charlotte County, Florida, rendered on the ____ day of _____, 2020.

TERN BAY COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Chairperson/Vice Chairperson
Board of Supervisors

(SEAL)

Attest:

By: _____
Secretary/Assistant Secretary
Board of Supervisors

ABBREVIATIONS

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

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with rights of survivorship and
not as tenants in common

UNIFORM TRANSFER MIN ACT - _____ Custodian _____
(Cust) (Minor)

Under Uniform Transfer to Minors Act _____
(State)

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

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

(please print or typewrite name and address of assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Signature Guarantee:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Please insert social security or other identifying number of Assignee.

EXHIBIT C

FORMS OF REQUISITIONS

TERN BAY COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS, SERIES 2020 (2020 PROJECT)

(Acquisition and Construction)

The undersigned, a Responsible Officer of the Tern Bay Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and U.S. Bank National Association, as trustee (the "Trustee"), dated as of _____ 1, 2020, as supplemented by that certain First Supplemental Trust Indenture dated as of _____ 1, 2020 (collectively, the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

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

Series 2020 Acquisition and Construction Account of the Acquisition and Construction Fund

The undersigned hereby certifies that:

1. obligations in the stated amount set forth above have been incurred by the District,
2. each disbursement set forth above is a proper charge against the Series 2020 Acquisition and Construction Account;
3. each disbursement set forth above was incurred in connection with the Cost of the 2020 Project; and
4. each disbursement represents a Cost of 2020 Project which has not previously been paid.

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive

payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

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

Originals or copies of the invoice(s) from the vendor of the property acquired or the services rendered with respect to which disbursement is hereby requested are on file with the District.

TERN BAY COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Responsible Officer

Date: _____

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

The undersigned Consulting Engineer hereby certifies that this disbursement is for the Cost of the 2020 Project and is consistent with: (i) the Acquisition Agreement; and (ii) the report of the Consulting Engineer, as such report shall have been amended or modified.

Consulting Engineer

**TERN BAY COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2020
(2020 PROJECT)**

(Costs of Issuance)

The undersigned, a Responsible Officer of the Tern Bay Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and U.S. Bank National Association, as trustee (the "Trustee"), dated as of _____ 1, 2020, as supplemented by that certain First Supplemental Trust Indenture dated as of _____ 1, 2020 (collectively, the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

- (A) Requisition Number:

- (B) Amount Payable:

- (C) Purpose for which paid or incurred: Costs of Issuance

- (D) Fund or Account and subaccount, if any, from which disbursement to be made:
Series 2020 Costs of Issuance Account of the Acquisition and Construction Fund

The undersigned hereby certifies that:

1. this requisition is for costs of issuance payable from the Series 2020 Costs of Issuance Account that have not previously been paid;
2. each disbursement set forth above is a proper charge against the Series 2020 Costs of Issuance Account;
3. each disbursement set forth above was incurred in connection with the issuance of the Series 2020 Bonds; and
4. each disbursement represents a cost of issuance which has not previously been paid.

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

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

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

TERN BAY COMMUNITY DEVELOPMENT
DISTRICT

By: _____
Responsible Officer

Date: _____

EXHIBIT D

FORM OF INVESTOR LETTER

[Date]

FMSbonds, Inc.
20660 W. Dixie Highway
North Miami Beach, FL 33180

Re: \$_____ Tern Bay Community Development District Special Assessment
Bonds, Series 2020 (2020 Project)

Ladies and Gentlemen:

The undersigned is authorized to sign this letter [on behalf of Name of Non-Individual Investor], as the beneficial owner (the “Investor”) of \$_____ of the above-referenced Bonds [state maturing on December 15, _____, bearing interest at the rate of ___% per annum and CUSIP #] (herein, the “Investor Bonds”).

In connection with the purchase of the Investor Bonds by the Investor, the Investor hereby makes the following representations upon which you may rely:

1. The Investor has authority to purchase the Investor Bonds and to execute this letter, any other instruments and documents required to be executed by the Investor in connection with the purchase of the Investor Bonds.

2. The Investor meets the criteria of an “accredited investor” as described in one or more of the categories derived from Rule 501(a) under Regulation D of the Securities Act of 1933, as amended (the “Securities Act”) summarized below, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations including those which are not rated or credit-enhanced, to be able to evaluate the risks and merits of the investment represented by the Bonds. Please check the appropriate box below to indicate the type of accredited investor:

a bank, insurance company, registered investment company, business development company, or small business investment company;

an employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of \$5 million;

a charitable organization, corporation, or partnership with assets exceeding \$5 million;

a business in which all the equity owners are “accredited investors”;

a natural person who has individual net worth, or joint net worth with the person’s spouse, that exceeds \$1 million at the time of the purchase, excluding the value

of the primary residence of such person, except that mortgage indebtedness on the primary residence shall not be included as a liability;

a natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year; or

a trust with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the Investor Bonds whose purchase is directed by a sophisticated person.

3. The Investor has been supplied with an (electronic) copy of the Preliminary Limited Offering Memorandum dated _____, 2020 of the Issuer and relating to the Bonds (the “Offering Document”) and has reviewed the Offering Document and represents that such Offering Document has provided full and meaningful disclosure in order to make an informed decision to invest in the Investor Bonds.

Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Indenture.

Very truly yours,

[Name], [Type of Entity]

By: _____
Name: _____
Title: _____
Date: _____

Or

[Name], an Individual

49769425v3/190371.010100

RESOLUTION NO. 2020-06

A RESOLUTION OF THE BOARD OF SUPERVISORS OF TERN BAY COMMUNITY DEVELOPMENT DISTRICT SETTING A PUBLIC HEARING TO BE HELD ON JUNE 9, 2020 AT 10:00 A.M. AT THE COUNTRY INN AND SUITES 24244 CORPORATE COURT, PORT CHARLOTTE, FLORIDA 33954 OR AS OTHERWISE PERMITTED BY LAW AT SAID DATE AND TIME IN THE EVENT EXECUTIVE ORDER 20-69 IS STILL IN EFFECT DUE TO PUBLIC HEALTH EMERGENCY, FOR THE PURPOSE OF HEARING PUBLIC COMMENT ON IMPOSING SPECIAL ASSESSMENTS ON CERTAIN PROPERTY WITHIN THE DISTRICT GENERALLY DESCRIBED AS THE TERN BAY COMMUNITY DEVELOPMENT DISTRICT IN ACCORDANCE WITH CHAPTERS 170, 190 AND 197, FLORIDA STATUTES; PROVIDING FOR CONFLICTS, PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of Supervisors of Tern Bay Community Development District (“Board”) has previously adopted Resolution No. 2020-05 entitled:

A RESOLUTION OF THE BOARD OF SUPERVISORS OF TERN BAY COMMUNITY DEVELOPMENT DISTRICT DECLARING SPECIAL ASSESSMENTS; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THOSE IMPROVEMENTS WHICH COST IS TO BE DEFRAIDED IN WHOLE OR IN PART BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED COST OF THE IMPROVEMENTS TO BE DEFRAIDED IN WHOLE OR IN PART BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE MADE; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; ADOPTING A PRELIMINARY ASSESSMENT ROLL; PROVIDING FOR A PUBLIC HEARING TO CONSIDER THE ADVISABILITY AND PROPRIETY OF SAID ASSESSMENTS AND THE RELATED IMPROVEMENTS; PROVIDING FOR NOTICE OF SAID PUBLIC HEARING; PROVIDING FOR PUBLICATION OF THIS RESOLUTION; PROVIDING FOR CONFLICTS, PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, in accordance with Resolution No. 2020-05, a preliminary assessment roll has been prepared and all other conditions precedent set forth in Chapters 170, 190 and 197, Florida Statutes to the holding of the aforementioned public hearing have been satisfied, and the roll and related documents are available for public inspection at the offices of the District Manager at JPWard & Associates LLC, 2900 Northeast 12th Terrace, Suite 1, Oakland Park, Florida 33334 (“District Manager’s Office”).

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF TERN BAY COMMUNITY DEVELOPMENT DISTRICT:

Section 1. There is hereby declared a public hearing to be held on June 9, 2020 at 10:00 a.m., at the Country Inn and Suites 24244 Corporate Court, Port Charlotte, Florida 33954, for the purpose of hearing comment and objections to the proposed special assessment program for community improvements as identified in the preliminary assessment roll, a copy of which is on file at the District Manager’s Office. Said preliminary assessment roll indicates the areas to be improved, description of the project for which assessment are to be made and the amount expected to be assessed to each benefited piece or parcel of property. Affected parties may appear at that hearing or submit their comments in writing prior to the meeting and submit same to the office of the District Manager at JPWard & Associates LLC, 2900 Northeast 12th Terrace, Suite 1, Oakland Park, Florida 33334. Pursuant to Governor DeSantis’s Executive Order 20-69 relating to the COVID-19 public health emergency and in order to protect the public and follow the Centers for Disease Control guidance regarding social distancing, the described public hearing may be conducted using telecommunications technology and not held at the physical location mentioned above if said Executive Order is still in effect at the time of the public hearing. The District will provide updates on its website as to the manner in which the meeting will be conducted.

Section 2. Notice of said hearing shall be advertised in accordance with Chapters 170, 190 and 197 Florida Statutes, and the District Manager is hereby authorized and directed to place said notice in a newspaper of general circulation published within Lee County (by two publications one week apart with the last publication at least one week prior to the date of the hearing established herein). The District Manager shall file a publisher’s affidavit with the District Secretary verifying such publication of notice. The District Manager is further authorized and directed to give thirty (30) days written notice by mail of the time and place of this hearing to the owners of all property to be assessed and include in such notice the amount of the assessment for each such property owner, a description of the areas to be improved and notice that information concerning all assessments may be ascertained at the District Manager’s Office. The District Manager shall file proof of such mailing by affidavit with the District Secretary.

Section 3. If any one of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contract to the policy of express law, but not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way effect the validity of the other provisions hereof.

Section 4. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, superseded and repealed.

Section 5. This Resolution shall become effective upon its adoption.

PASSED AND ADOPTED this _____ day of April, 2020.

**TERN BAY COMMUNITY
DEVELOPMENT DISTRICT**

ATTEST:

James P. Ward, Secretary

Russell Smith, Chairman

Tern Bay Community Development District

Financial Statements

January 31, 2020



Prepared by:

JPWARD AND ASSOCIATES LLC

2900 NORTHEAST 12TH TERRACE

SUITE 1

OAKLAND PARK, FLORIDA 33334

E-MAIL: jimward@jpwardassociates.com

PHONE: (954) 658-4900

Tern Bay Community Development District

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JPWard & Associates LLC

2900 Northeast 12th Terrace

Suite 1

Oakland Park, Florida 33334

Phone: (954) 658-4900

**Tern Bay Community Development District
Balance Sheet
for the Period Ending January 31, 2020**

Description	Governmental Funds					Totals	(Memorandum Only)
	Series 2005 Bonds		Account Groups				
	General Fund	Debt Service Fund	General Long Term Debt	General Fixed Assets			
Assets							
Cash and Investments							
General Fund - Invested Cash	\$ 266,866	\$ -	\$ -	\$ -	\$ -	\$ 266,866	
Capital Project Fund - Series 2007							
Construction Account	-	-	-	-	-	-	
Working Capital Account	-	-	-	-	-	-	
Debt Service Fund							
Interest Account	-	-	-	-	-	-	
Sinking Account	-	-	-	-	-	-	
Reserve Account A	-	51,271	-	-	-	51,271	
Reserve Account B	-	-	-	-	-	-	
Revenue	-	23,081	-	-	-	23,081	
Prepayment Account	-	-	-	-	-	-	
Due from Other Funds							
General Fund	-	113,776	-	-	-	113,776	
Debt Service Fund	-	-	-	-	-	-	
Capital Project Fund	-	-	-	-	-	-	
Accounts Receivable--Bond Holder Funding							
Accrued Interest Receivable	-	-	-	-	-	-	
Assessments Receivable	-	-	-	-	-	-	
Prepaid Expenses	-	-	-	-	-	-	
Amount Available in Debt Service Funds							
Amount to be Provided by Debt Service Funds	-	-	188,128	-	-	188,128	
Investment in General Fixed Assets (net of depreciation)	-	-	946,872	-	-	946,872	
Total Assets	\$ 266,866	\$ 188,128	\$ 1,135,000	\$ 45,419,499	\$ 45,419,499	\$ 47,009,493	

Tern Bay Community Development District
Balance Sheet
for the Period Ending January 31, 2020

Description	Governmental Funds				Account Groups		Totals (Memorandum Only)
	Series 2005 Bonds		General Long		General Fixed Assets		
	General Fund	Debt Service Fund	Term Debt				
Liabilities							
Accounts Payable & Payroll Liabilities	\$ -	\$ -	\$ -	\$ -	-	-	\$ -
Notes and Loans Payable - Current Portion							
Note Payable-Oppenheimer Funds	-	-	-	-	-	-	-
Due to Other Funds							
General Fund	-	-	-	-	-	-	-
Debt Service Fund	113,776	-	-	-	-	-	113,776
Capital Projects Fund	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-	-
Bonds Payable							
Current Portion	-	-	40,000	-	-	-	40,000
Long Term	-	-	1,095,000	-	-	-	1,095,000
	\$ 113,776	\$ -	\$ 1,135,000	\$ -	\$ -	\$ -	\$ 1,248,776
Total Liabilities							
Fund Equity and Other Credits							
Investment in General Fixed Assets					45,419,499		45,419,499
Fund Balance							
Restricted							
Beginning: October 1, 2019 (Audited)		99,711	-	-	-	-	99,711
Results from Current Operations		88,417	-	-	-	-	88,417
Unassigned							
Beginning: October 1, 2019 (Audited)	64,765	-	-	-	-	-	64,765
Results from Current Operations	88,326	-	-	-	-	-	88,326
	\$ 153,091	\$ 188,128	\$ -	\$ -	\$ 45,419,499	\$ -	\$ 45,760,718
Total Liabilities, Fund Equity and Other Credits	\$ 266,866	\$ 188,128	\$ 1,135,000	\$ 45,419,499	\$ -	\$ 47,009,493	\$ -

Tern Bay Community Development District
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Through January 31, 2020

Description	October	November	December	January	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources							
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Interest							
Interest - General Checking	-	-	-	-	-	-	N/A
Miscellaneous Revenue							
Special Assessment Revenue							
Special Assessments - On-Roll	1,708	858	2,781	130,169	135,516	115,495	117%
Special Assessments - Off-Roll	-	-	-	-	-	-	N/A
Interfund Group Transfers In	-	-	-	-	-	-	N/A
Total Revenue and Other Sources:	\$ 1,708	\$ 858	\$ 2,781	\$ 130,169	\$ 135,516	\$ 115,495	117%

Expenditures and Other Uses

Legislative							
Board of Supervisor's - Fees	-	-	-	-	-	\$ -	N/A
Executive							
Professional Management	2,875	2,875	2,875	2,875	11,500	34,500	33%
Financial and Administrative							
Audit Services	-	-	-	5,350	5,350	6,000	89%
Accounting Services	1,000	1,000	1,000	1,000	4,000	12,000	33%
Assessment Roll Services	667	667	667	667	2,667	9,000	30%
Arbitrage Rebate Services	-	500	-	-	500	500	100%
Real Estate Advisor	-	-	-	-	-	-	N/A
Other Contractual Services							
Legal Advertising	-	-	-	-	-	2,500	0%
Trustee Services	-	-	-	-	-	3,500	0%
Dissemination Agent Services	-	-	-	1,000	1,000	1,000	100%
Bank Services	6	36	22	55	120	500	24%
Travel and Per Diem							
Communications & Freight Services	-	-	-	-	-	-	N/A

**Tern Bay Community Development District
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Through January 31, 2020**

Description	October	November	December	January	Year to Date	Total Annual Budget	% of Budget
Postage, Freight & Messenger	8	9	8	18	43	400	11%
Insurance	-	8,989	-	-	8,989	8,900	101%
Rentals & Leases	-	-	-	-	-	400	0%
Printing & Binding	-	-	-	-	-	500	0%
Web Site Development	50	50	50	50	200	2,000	10%
Subscription & Memberships	175	-	-	-	175	175	100%
Legal Services							
Legal - General Counsel	210	-	-	70	280	4,000	7%
Legal - Foreclosure Counsel	-	-	-	-	-	-	N/A
Legal - Trustee Counsel	-	-	-	-	-	-	N/A
Legal - Ryan Golf Counsel	-	-	-	-	-	-	N/A
DRI NOPC	-	-	-	-	-	-	N/A
Legal - TB LLC Counsel	-	-	-	-	-	-	N/A
Eminent Domain Counsel	-	-	-	-	-	-	N/A
Comprehensive Planning Services							
Other General Government Services							
Engineering Services - General Fund	-	-	-	-	-	5,000	0%
Engineering Services - Traffic	-	-	-	-	-	-	N/A
NOPC Fees	-	-	-	-	-	-	N/A
Contingencies	-	-	-	-	-	-	N/A
Other Public Safety							
Professional Services							
Charlotte County Sheriff's Patrol	-	-	-	-	-	-	N/A
Wastewater Services							
Utility Services							
Electric Service	155	151	153	168	628	620	101%
Stormwater Management System							
Repairs & Maintenance							
Lake Banks	-	-	-	-	-	-	N/A
Aquatic Weed Control							

Tern Bay Community Development District
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Through January 31, 2020

Description	October	November	December	January	Year to Date	Total Annual Budget	% of Budget
Lake Spraying	-	-	-	-	-	-	N/A
Upland Monitoring & Maintenance	-	-	-	-	-	-	N/A
Other Physical Environment							
Professional Services							
Field Manager Services	-	-	-	-	-	-	N/A
Contingencies	-	-	-	-	-	-	N/A
Assessments -Charlotte County	-	38	-	-	38	-	N/A
Road & Street Facilities							
Professional Services	-	-	-	-	-	-	N/A
Street Lights							
Electric Service							
Electric Service	1,173	1,263	1,259	1,195	4,890	12,000	41%
Repairs & Maintenance	-	-	-	-	-	-	N/A
Economic Environment							
Landscaping Services							
Electric Service	1,472	2,021	1,909	1,409	6,810	12,000	57%
Repairs & Maintenance							
Common Area Maintenance	-	-	-	-	-	-	N/A
Material Replacement	-	-	-	-	-	-	N/A
Mulch Installation	-	-	-	-	-	-	N/A
Landscape Lighting	-	-	-	-	-	-	N/A
Pumps & Wells							
Routine Maintenance	-	-	-	-	-	-	N/A
Line Distribution System							
Routine Maintenance	-	-	-	-	-	-	N/A
Total Expenditures and Other Uses:	\$ 7,791	\$ 17,598	\$ 7,943	\$ 13,857	\$ 47,190	\$ 115,495	41%
Net Increase/ (Decrease) in Fund Balance	(6,083)	(16,740)	(5,162)	116,311	88,326	-	
Fund Balance - Beginning	64,765	58,682	41,942	36,779	64,765	64,765	
Fund Balance - Ending	\$ 58,682	\$ 41,942	\$ 36,779	\$ 153,091	\$ 153,091	\$ 64,765	

Prepared by:

JPWARD and Associates, LLC

Tern Bay Community Development District
Debt Service Fund - Series 2005 Bonds
Statement of Revenues, Expenditures and Changes in Fund Balance
Through January 31, 2020

Description	October	November	December	January	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources							
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Miscellaneous Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Interest Income							
Reserve Account	76	77	65	58	276	-	N/A
Prepayment Account	-	-	-	-	-	-	N/A
Revenue Account	73	74	25	24	195	-	N/A
Special Assessment Revenue							
Special Assessments - On-Roll	1,493	750	2,431	113,776	118,449	101,875	116%
Special Assessments - Off-Roll	-	-	-	-	-	-	N/A
Extraordinary Items (Gain)							
Operating Transfers In (From Other Funds)	-	-	-	-	-	-	N/A
Total Revenue and Other Sources:	\$ 1,641	\$ 901	\$ 2,521	\$ 113,857	\$ 118,920	\$ 101,875	117%
Expenditures and Other Uses							
Debt Service							
Principal Debt Service - Mandatory							
Series 2005 Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000	0%
Principal Debt Service - Early Redemptions							
Series 2005 Bonds	-	-	-	-	-	-	N/A
Interest Expense							
Series 2005A Bonds	-	30,503	-	-	30,503	62,888	49%
Series 2005B Bonds	-	-	-	-	-	-	N/A
Trustee Services	-	-	-	-	-	-	-
Operating Transfers Out (To Other Funds)	-	-	-	-	-	-	N/A
Total Expenditures and Other Uses:	\$ 0	\$ 30,503	\$ 0	\$ 0	\$ 30,503	\$ 97,888	31%
Net Increase/(Decrease) in Fund Balance	1,641	(29,602)	2,521	113,857	88,417	3,987	
Fund Balance - Beginning	99,711	101,352	71,750	74,271	99,711	99,711	
Fund Balance - Ending	\$ 101,352	\$ 71,750	\$ 74,271	\$ 188,128	\$ 188,128	\$ 103,698	

Statement Notes:

1. Bonds in Default since end of capitalized interest period.
2. Bondholder's have directed Trustee to transfer funds received from on-roll assessments to pay on-going operating and maintenance expenses.
3. Operating Transfers Out are funds transferred directly to the Capital Projects Fund to pay on-going operating and maintenance expenses.
3. Off-Roll Assessments were billed on or before November 15, 2014, however, the District does not expect those property owner's to pay these assessments.

Tern Bay Community Development District

Financial Statements

February 29, 2020



Prepared by:

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Tern Bay Community Development District

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Tern Bay Community Development District
Balance Sheet
for the Period Ending February 29, 2020

Description	Governmental Funds				Account Groups			Totals (Memorandum Only)
	Series 2005 Bonds		General Long Term Debt		General Fixed Assets	Totals	(Memorandum Only)	
	General Fund	Debt Service Fund	General Long Term Debt	General Fixed Assets				
Assets								
Cash and Investments								
General Fund - Invested Cash	\$ 258,045	\$ -	\$ -	\$ -	-	-	\$ 258,045	
Capital Project Fund - Series 2007								
Construction Account	-	-	-	-	-	-	-	-
Working Capital Account	-	-	-	-	-	-	-	-
Debt Service Fund								
Interest Account	-	-	-	-	-	-	-	-
Sinking Account	-	-	-	-	-	-	-	-
Reserve Account A	-	51,326	-	-	-	-	51,326	
Reserve Account B	-	-	-	-	-	-	-	-
Revenue	-	23,106	-	-	-	-	23,106	
Prepayment Account	-	-	-	-	-	-	-	-
Due from Other Funds								
General Fund	-	113,776	-	-	-	-	113,776	
Debt Service Fund	-	-	-	-	-	-	-	-
Capital Project Fund	-	-	-	-	-	-	-	-
Accounts Receivable--Bond Holder Funding								
Accrued Interest Receivable	-	-	-	-	-	-	-	-
Assessments Receivable	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-
Amount Available in Debt Service Funds								
Amount to be Provided by Debt Service Funds	-	-	188,208	-	-	188,208	188,208	
Investment in General Fixed Assets (net of depreciation)	-	-	946,792	-	-	946,792	946,792	
Total Assets	\$ 258,045	\$ 188,208	\$ 1,135,000	\$ 45,419,499	\$ 45,419,499	\$ 47,000,752	\$ 47,000,752	

Tern Bay Community Development District
Balance Sheet
for the Period Ending February 29, 2020

Description	Governmental Funds				Account Groups		Totals (Memorandum Only)
	Series 2005 Bonds		General Long Term Debt		General Fixed Assets		
	General Fund	Debt Service Fund	General Long Term Debt	General Fixed Assets			
Liabilities							
Accounts Payable & Payroll Liabilities	\$ -	\$ -	\$ -	\$ -	-	-	\$ -
Notes and Loans Payable - Current Portion							
Note Payable-Oppenheimer Funds	-	-	-	-	-	-	-
Due to Other Funds							
General Fund	-	-	-	-	-	-	-
Debt Service Fund	113,776	-	-	-	-	-	113,776
Capital Projects Fund	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-	-
Bonds Payable							
Current Portion	-	-	40,000	-	-	-	40,000
Long Term	-	-	1,095,000	-	-	-	1,095,000
	\$ 113,776	\$ -	\$ 1,135,000	\$ -	\$ -	\$ -	\$ 1,248,776
Total Liabilities							
Fund Equity and Other Credits							
Investment in General Fixed Assets					45,419,499		45,419,499
Fund Balance							
Restricted							
Beginning: October 1, 2019 (Audited)					99,711		99,711
Results from Current Operations					88,497		88,497
Unassigned							
Beginning: October 1, 2019 (Audited)	64,765	-	-	-	-	-	64,765
Results from Current Operations	79,505	-	-	-	-	-	79,505
	\$ 144,270	\$ 188,208	\$ -	\$ -	\$ 45,419,499	\$ -	\$ 45,751,976
Total Liabilities, Fund Equity and Other Credits	\$ 258,045	\$ 188,208	\$ 1,135,000	\$ 45,419,499	\$ -	\$ 47,000,752	\$ -

**Tern Bay Community Development District
General Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Through February 29, 2020**

Description	October	November	December	January	February	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources								
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Interest								
Interest - General Checking	-	-	-	-	-	-	-	N/A
Miscellaneous Revenue								
Special Assessment Revenue								
Special Assessments - On-Roll	1,708	858	2,781	130,169	-	135,516	115,495	117%
Special Assessments - Off-Roll	-	-	-	-	-	-	-	N/A
Interfund Group Transfers In	-	-	-	-	-	-	-	N/A
Total Revenue and Other Sources:	\$ 1,708	\$ 858	\$ 2,781	\$ 130,169	\$ -	\$ 135,516	\$ 115,495	117%
Expenditures and Other Uses								
Legislative								
Board of Supervisor's - Fees	-	-	-	-	-	-	-	N/A
Executive								
Professional Management	2,875	2,875	2,875	2,875	2,875	14,375	34,500	42%
Financial and Administrative								
Audit Services	-	-	-	5,350	-	5,350	6,000	89%
Accounting Services	1,000	1,000	1,000	1,000	1,000	5,000	12,000	42%
Assessment Roll Services	667	667	667	667	667	3,333	9,000	37%
Arbitrage Rebate Services	-	500	-	-	-	500	500	100%
Real Estate Advisor	-	-	-	-	-	-	-	N/A
Other Contractual Services								
Recording and Transcription	-	-	-	-	-	-	-	N/A
Legal Advertising	-	-	-	-	-	-	2,500	0%
Property Appraiser & Tax Collector Fees	-	-	-	-	-	-	-	N/A
Trustee Services	-	-	-	-	-	-	3,500	0%
Dissemination Agent Services	-	-	-	1,000	1,000	2,000	1,000	200%
Bank Services	6	36	22	55	4	124	500	25%
Travel and Per Diem								
Communications & Freight Services								
Telephone	-	-	-	-	-	-	-	N/A
Postage, Freight & Messenger	8	9	8	18	40	83	400	21%

**Tern Bay Community Development District
General Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Through February 29, 2020**

Description	October	November	December	January	February	Year to Date	Total Annual Budget	% of Budget
Insurance	-	8,989	-	-	-	8,989	8,900	101%
Rentals & Leases	-	-	-	-	150	150	400	38%
Printing & Binding	-	-	-	-	111	111	500	22%
Web Site Development	50	50	50	50	50	250	2,000	13%
Subscription & Memberships	175	-	-	-	-	175	175	100%
Legal Services								
Legal - General Counsel	210	-	-	70	-	280	4,000	7%
Legal - Foreclosure Counsel	-	-	-	-	-	-	-	N/A
Legal - Trustee Counsel	-	-	-	-	-	-	-	N/A
Legal - Ryan Golf Counsel	-	-	-	-	-	-	-	N/A
DRI/NOPC	-	-	-	-	-	-	-	N/A
Legal - TB LLC Counsel	-	-	-	-	-	-	-	N/A
Eminent Domain Counsel	-	-	-	-	-	-	-	N/A
-	-	-	-	-	-	-	-	N/A
Comprehensive Planning Services								
Other General Government Services								
Engineering Services - General Fund	-	-	-	-	-	-	5,000	0%
Engineering Services - Traffic	-	-	-	-	-	-	-	N/A
NOPC Fees	-	-	-	-	-	-	-	N/A
Contingencies	-	-	-	-	-	-	-	N/A
Other Public Safety								
Professional Services								
Charlotte County Sheriff's Patrol	-	-	-	-	-	-	-	N/A
Wastewater Services								
Utility Services								
Electric Service	155	151	153	168	163	791	620	128%
Stormwater Management System								
Repairs & Maintenance								
Lake Banks	-	-	-	-	-	-	-	N/A
Aquatic Weed Control								
Lake Spraying	-	-	-	-	-	-	-	N/A
Lake Vegetation Removal	-	-	-	-	-	-	-	N/A
Upland Monitoring & Maintenance	-	-	-	-	-	-	-	N/A
Other Physical Environment								

**Tern Bay Community Development District
General Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Through February 29, 2020**

Description	October	November	December	January	February	Year to Date	Total Annual Budget	% of Budget
Professional Services								
Field Manager Services	-	-	-	-	-	-	-	N/A
Insurance	-	-	-	-	-	-	-	N/A
Contingencies	-	-	-	-	-	-	-	N/A
Assessments - Charlotte County	-	-	-	-	-	-	-	N/A
Assessments - Charlotte County	-	38	-	-	-	38	-	N/A
Road & Street Facilities								
Professional Services								
Street Lights								
Electric Service								
Electric Service	1,173	1,263	1,259	1,195	1,231	6,121	12,000	51%
Repairs & Maintenance	-	-	-	-	-	-	-	N/A
Economic Environment								
Professional Services - Appraisal	-	-	-	-	-	-	-	N/A
Landscaping Services								
Electric Service	1,472	2,021	1,909	1,409	1,531	8,341	12,000	70%
Repairs & Maintenance								
Common Area Maintenance	-	-	-	-	-	-	-	N/A
Material Replacement	-	-	-	-	-	-	-	N/A
Mulch Installation	-	-	-	-	-	-	-	N/A
Landscape Lighting	-	-	-	-	-	-	-	N/A
Pumps & Wells								
Routine Maintenance	-	-	-	-	-	-	-	N/A
Well Testing/Meter Reading	-	-	-	-	-	-	-	N/A
Line Distribution System								
Routine Maintenance	-	-	-	-	-	-	-	N/A
Total Expenditures and Other Uses:	\$ 7,791	\$ 17,598	\$ 7,943	\$ 13,857	\$ 8,821	\$ 56,011	\$ 115,495	48%
Net Increase/ (Decrease) in Fund Balance	(6,083)	(16,740)	(5,162)	116,311	(8,821)	79,505	-	
Fund Balance - Beginning	64,765	58,682	41,942	36,779	153,091	64,765	64,765	
Fund Balance - Ending	\$ 58,682	\$ 41,942	\$ 36,779	\$ 153,091	\$ 144,269	\$ 144,269	\$ 64,765	

Tern Bay Community Development District
Debt Service Fund - Series 2005 Bonds
Statement of Revenues, Expenditures and Changes in Fund Balance
Through February 29, 2020

Description	October	November	December	January	February	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources								
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	N/A
Miscellaneous Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	
Interest Income								
Reserve Account	76	77	65	58	55	331	-	N/A
Prepayment Account	-	-	-	-	-	-	-	N/A
Revenue Account	73	74	25	24	25	219	-	N/A
Special Assessment Revenue								
Special Assessments - On-Roll	1,493	750	2,431	113,776	-	118,449	101,875	116%
Special Assessments - Off-Roll	-	-	-	-	-	-	-	N/A
Extraordinary Items (Gain)	-	-	-	-	-	-	-	
Operating Transfers In (From Other Funds)								
Total Revenue and Other Sources:	\$ 1,641	\$ 901	\$ 2,521	\$ 113,857	\$ 80	\$ 119,000	\$ 101,875	117%
Expenditures and Other Uses								
Debt Service								
Principal Debt Service - Mandatory								
Series 2005 Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000	0%
Principal Debt Service - Early Redemptions								
Series 2005 Bonds	-	-	-	-	-	-	-	N/A
Interest Expense								
Series 2005A Bonds	-	30,503	-	-	-	30,503	62,888	49%
Series 2005B Bonds	-	-	-	-	-	-	-	N/A
Trustee Services	-	-	-	-	-	-	-	
Operating Transfers Out (To Other Funds)								
Total Expenditures and Other Uses:	\$ 0	\$ 30,503	\$ 0	\$ 0	\$ 0	\$ 30,503	\$ 97,888	31%
Net Increase/ (Decrease) in Fund Balance	1,641	(29,602)	2,521	113,857	80	88,497	3,987	
Fund Balance - Beginning	99,711	101,352	71,750	74,271	188,128	99,711	99,711	
Fund Balance - Ending	\$ 101,352	\$ 71,750	\$ 74,271	\$ 188,128	\$ 188,208	\$ 188,208	\$ 103,698	

Statement Notes:

1. Bonds in Default since end of capitalized interest period.
2. Bondholder's have directed Trustee to transfer funds received from on-roll assessments to pay on-going operating and maintenance expenses.
3. Operating Transfers Out are funds transferred directly to the Capital Projects Fund to pay on-going operating and maintenance expenses.
3. Off-Roll Assessments were billed on or before November 15, 2014, however, the District does not expect those property owner's to pay these assessments.

Tern Bay Community Development District

Financial Statements

March 31, 2020



Prepared by:

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Tern Bay Community Development District

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**Tern Bay Community Development District
Balance Sheet
for the Period Ending March 31, 2020**

Description	Governmental Funds				Totals	(Memorandum Only)
	Series 2005 Bonds		Account Groups			
	General Fund	Debt Service Fund	General Long Term Debt	General Fixed Assets		
Assets						
Cash and Investments						
General Fund - Invested Cash	\$ 136,119	\$ -	\$ -	\$ -	\$	136,119
Capital Project Fund - Series 2007						
Construction Account	-	-	-	-		-
Working Capital Account	-	-	-	-		-
Debt Service Fund						
Interest Account	-	-	-	-		-
Sinking Account	-	-	-	-		-
Reserve Account A	-	51,376	-	-		51,376
Reserve Account B	-	-	-	-		-
Revenue	-	136,904	-	-		136,904
Prepayment Account	-	-	-	-		-
Due from Other Funds						
General Fund	-	-	-	-		-
Debt Service Fund	-	-	-	-		-
Capital Project Fund	-	-	-	-		-
Accounts Receivable-Bond Holder Funding	-	-	-	-		-
Accrued Interest Receivable	-	-	-	-		-
Assessments Receivable	-	-	-	-		-
Prepaid Expenses	-	-	-	-		-
Amount Available in Debt Service Funds	-	-	188,280	-		188,280
Amount to be Provided by Debt Service Funds	-	-	946,720	-		946,720
Investment in General Fixed Assets (net of depreciation)	-	-	-	45,419,499		45,419,499
Total Assets	\$ 136,119	\$ 188,280	\$ 1,135,000	\$ 45,419,499	\$	46,878,898

**Tern Bay Community Development District
Balance Sheet
for the Period Ending March 31, 2020**

Description	Governmental Funds				Totals	(Memorandum Only)
	Series 2005 Bonds		Account Groups			
	General Fund	Debt Service Fund	General Long Term Debt	General Fixed Assets		
Liabilities						
Accounts Payable & Payroll Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and Loans Payable - Current Portion						
Note Payable-Oppenheimer Funds	-	-	-	-	-	-
Due to Other Funds						
General Fund	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-
Bonds Payable						
Current Portion	-	-	40,000	-	-	40,000
Long Term	-	-	1,095,000	-	-	1,095,000
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,135,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,135,000</u>
Fund Equity and Other Credits						
Investment in General Fixed Assets	-	-	-	45,419,499	-	45,419,499
Fund Balance						
Restricted						
Beginning: October 1, 2019 (Audited)		99,711	-	-		99,711
Results from Current Operations		88,569	-	-		88,569
Unassigned						
Beginning: October 1, 2019 (Audited)	64,765	-	-	-		64,765
Results from Current Operations	71,354	-	-	-		71,354
Total Fund Equity and Other Credits	<u>\$ 136,119</u>	<u>\$ 188,280</u>	<u>\$ -</u>	<u>\$ 45,419,499</u>	<u>\$ -</u>	<u>\$ 45,743,898</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$ 136,119</u>	<u>\$ 188,280</u>	<u>\$ 1,135,000</u>	<u>\$ 45,419,499</u>	<u>\$ -</u>	<u>\$ 46,878,898</u>

Prepared by:

JPWARD and Associates, LLC

**Tern Bay Community Development District
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Through March 31, 2020**

Description	October	November	December	January	February	March	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources									
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	N/A
Interest									
Interest - General Checking	-	-	-	-	-	-	-	-	N/A
Miscellaneous Revenue									
Miscellaneous Revenue	-	-	-	-	-	-	-	-	N/A
Special Assessment Revenue									
Special Assessments - On-Roll	1,708	858	2,781	130,169	-	-	135,516	115,495	117%
Special Assessments - Off-Roll	-	-	-	-	-	-	-	-	N/A
Interfund Group Transfers In	-	-	-	-	-	-	-	-	N/A
Total Revenue and Other Sources:	\$ 1,708	\$ 858	\$ 2,781	\$ 130,169	\$ -	\$ -	\$ 135,516	\$ 115,495	117%
Expenditures and Other Uses									
Legislative									
Board of Supervisor's - Fees	-	-	-	-	-	-	-	\$ -	N/A
Executive									
Professional Management	2,875	2,875	2,875	2,875	2,875	2,875	17,250	34,500	50%
Financial and Administrative									
Audit Services	-	-	-	5,350	-	-	5,350	6,000	89%
Accounting Services	1,000	1,000	1,000	1,000	1,000	1,000	6,000	12,000	50%
Assessment Roll Services	667	667	667	667	667	667	4,000	9,000	44%
Arbitrage Rebate Services	-	500	-	-	-	-	500	500	100%
Real Estate Advisor	-	-	-	-	-	-	-	-	N/A
Other Contractual Services									
Recording and Transcription	-	-	-	-	-	-	-	-	N/A
Legal Advertising	-	-	-	-	-	-	-	2,500	0%
Property Appraiser & Tax Collector Fees	-	-	-	-	-	-	-	-	N/A
Trustee Services	-	-	-	-	-	-	-	3,500	0%
Dissemination Agent Services	-	-	-	1,000	1,000	-	2,000	1,000	200%
Bank Services	6	36	22	55	4	-	124	500	25%
Travel and Per Diem									
Travel and Per Diem	-	-	-	-	-	-	-	-	N/A
Communications & Freight Services									
Telephone	-	-	-	-	-	-	-	-	N/A
Postage, Freight & Messenger	8	9	8	18	40	9	92	400	23%

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**Tern Bay Community Development District
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Through March 31, 2020**

Description	October	November	December	January	February	March	Year to Date	Total Annual Budget	% of Budget
Insurance	-	8,989	-	-	-	-	8,989	8,900	101%
Rentals & Leases	-	-	-	-	150	-	150	400	38%
Printing & Binding	-	-	-	-	111	-	111	500	22%
Web Site Development	50	50	50	50	50	50	300	2,000	15%
Subscription & Memberships	175	-	-	-	-	-	175	175	100%
Legal Services									
Legal - General Counsel	210	-	-	70	-	525	805	4,000	20%
Legal - Foreclosure Counsel	-	-	-	-	-	-	-	-	N/A
Legal - Trustee Counsel	-	-	-	-	-	-	-	-	N/A
Legal - Ryan Golf Counsel	-	-	-	-	-	-	-	-	N/A
DRI NOPC	-	-	-	-	-	-	-	-	N/A
Legal - TB LLC Counsel	-	-	-	-	-	-	-	-	N/A
Eminent Domain Counsel	-	-	-	-	-	-	-	-	N/A
Comprehensive Planning Services	-	-	-	-	-	-	-	-	N/A
Other General Government Services									
Engineering Services - General Fund	-	-	-	-	-	-	-	5,000	0%
Engineering Services - Traffic	-	-	-	-	-	-	-	-	N/A
NOPC Fees	-	-	-	-	-	-	-	-	N/A
Contingencies	-	-	-	-	-	-	-	-	N/A
Other Public Safety									
Professional Services									
Charlotte County Sheriff's Patrol	-	-	-	-	-	-	-	-	N/A
Wastewater Services									
Utility Services									
Electric Service	155	151	153	168	163	167	958	620	155%
Stormwater Management System									
Repairs & Maintenance									
Lake Banks	-	-	-	-	-	-	-	-	N/A
Aquatic Weed Control									
Lake Spraying	-	-	-	-	-	-	-	-	N/A
Lake Vegetation Removal	-	-	-	-	-	-	-	-	N/A
Upland Monitoring & Maintenance	-	-	-	-	-	-	-	-	N/A
Other Physical Environment									

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**Tern Bay Community Development District
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Through March 31, 2020**

Description	October	November	December	January	February	March	Year to Date	Total Annual Budget	% of Budget
Professional Services									
Field Manager Services	-	-	-	-	-	-	-	-	N/A
Insurance	-	-	-	-	-	-	-	-	N/A
Contingencies	-	-	-	-	-	-	-	-	N/A
Assessments - Charlotte County	-	-	-	-	-	-	-	-	N/A
Assessments -Charlotte County	-	38	-	-	-	-	38	-	N/A
Road & Street Facilities									
Professional Services	-	-	-	-	-	-	-	-	N/A
Street Lights									
Electric Service									
Electric Service	1,173	1,263	1,259	1,195	1,231	1,255	7,375	12,000	61%
Repairs & Maintenance	-	-	-	-	-	-	-	-	N/A
Economic Environment									
Professional Services - Appraisal	-	-	-	-	-	-	-	-	N/A
Landscaping Services									
Electric Service	1,472	2,021	1,909	1,409	1,531	1,603	9,944	12,000	83%
Repairs & Maintenance									
Common Area Maintenance	-	-	-	-	-	-	-	-	N/A
Material Replacement	-	-	-	-	-	-	-	-	N/A
Mulch Installation	-	-	-	-	-	-	-	-	N/A
Landscape Lighting	-	-	-	-	-	-	-	-	N/A
Pumps & Wells									
Routine Maintenance	-	-	-	-	-	-	-	-	N/A
Well Testing/Meter Reading	-	-	-	-	-	-	-	-	N/A
Line Distribution System									
Routine Maintenance	-	-	-	-	-	-	-	-	N/A
Total Expenditures and Other Uses:	\$ 7,791	\$ 17,598	\$ 7,943	\$ 13,857	\$ 8,821	\$ 8,150	64,161	\$ 115,495	56%
Net Increase/ (Decrease) in Fund Balance	(6,083)	(16,740)	(5,162)	116,311	(8,821)	(8,150)	71,354	-	
Fund Balance - Beginning	64,765	58,682	41,942	36,779	153,091	144,269	64,765	64,765	
Fund Balance - Ending	\$ 58,682	\$ 41,942	\$ 36,779	\$ 153,091	\$ 144,269	\$ 136,119	136,119	\$ 64,765	

Tern Bay Community Development District
Debt Service Fund - Series 2005 Bonds
Statement of Revenues, Expenditures and Changes in Fund Balance
Through March 31, 2020

Description	October	November	December	January	February	March	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources									
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Miscellaneous Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Interest Income									
Reserve Account	76	77	65	58	55	50	381	-	N/A
Prepayment Account	-	-	-	-	-	-	-	-	N/A
Revenue Account	73	74	25	24	25	23	242	-	N/A
Special Assessment Revenue									
Special Assessments - On-Roll	1,493	750	2,431	113,776	-	-	118,449	101,875	116%
Special Assessments - Off-Roll	-	-	-	-	-	-	-	-	N/A
Extraordinary Items (Gain)									
Operating Transfers In (From Other Funds)	-	-	-	-	-	-	-	-	N/A
Total Revenue and Other Sources:	\$ 1,641	\$ 901	\$ 2,521	\$ 113,857	\$ 80	\$ 73	\$ 119,073	\$ 101,875	117%
Expenditures and Other Uses									
Debt Service									
Principal Debt Service - Mandatory									
Series 2005 Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000	0%
Principal Debt Service - Early Redemptions									
Series 2005 Bonds	-	-	-	-	-	-	-	-	N/A
Interest Expense									
Series 2005A Bonds	-	30,503	-	-	-	-	30,503	62,888	49%
Series 2005B Bonds	-	-	-	-	-	-	-	-	N/A
Trustee Services									
Operating Transfers Out (To Other Funds)	-	-	-	-	-	-	-	-	N/A
Total Expenditures and Other Uses:	\$0	\$30,503	\$0	\$0	\$0	\$0	\$30,503	\$ 97,888	31%
Net Increase/ (Decrease) in Fund Balance	1,641	(29,602)	2,521	113,857	80	73	88,569	3,987	
Fund Balance - Beginning	99,711	101,352	71,750	74,271	188,128	188,208	99,711	99,711	
Fund Balance - Ending	\$ 101,352	\$ 71,750	\$ 74,271	\$ 188,128	\$ 188,208	\$ 188,280	\$ 188,280	\$ 103,698	

Statement Notes:

1. Bonds in Default since end of capitalized interest period.
2. Bondholder's have directed Trustee to transfer funds received from on-roll assessments to pay on-going operating and maintenance expenses.
3. Operating Transfers Out are funds transferred directly to the Capital Projects Fund to pay on-going operating and maintenance expenses.
3. Off-Roll Assessments were billed on or before November 15, 2014, however, the District does not expect those property owner's to pay these assessments.