

Osceola Chain of Lakes Community Development District

Board of Supervisors
Anthony Iorio, Chairman
Kimberly Locher, Assistant Secretary
Jason Lonas, Assistant Secretary

Staff
Gary L. Moyer, District Manager
Tucker Mackie, District Counsel
Sarah Sandy, District Counsel
Nicole Stalder, District Engineer

Agenda

Wednesday, December 4, 2019 – 1:30 p.m.

- 1. Call to Order**
- 2. Roll Call**
- 3. Public Comment Period**
- 4. Approval of Minutes of the November 6, 2019, Meeting**
- 5. Administrative Matters**
 - a. Acceptance of Resignation from Mr. Ryan Kahn
 - b. Consideration of Appointment to Fill Unexpired Terms of Office for Seats 3 and 5
 - c. Oath of Office for Newly Appointed Supervisors
 - d. Consideration of Election of Officers
- 6. Bond-Related Matters**
 - a. Second Supplemental Engineering Report
 - b. Second Supplemental Assessment Report
 - c. Second Supplemental Trust Indenture
 - d. Resolution 2020-02, Delegation Resolution
- 7. District Manager's Report**
 - a. Financial Statements (*October 2019*)
 - b. Check Register
- 8. Staff Reports**
 - a. Attorney – Proposed Rules of Procedure
 - b. Engineer
- 9. Public Comment Period**
- 10. Other Business**
- 11. Supervisors Requests**
- 12. Adjournment**

NOTE: The next meeting is scheduled for Wednesday, January 8, 2020, at 1:30 p.m.

Section 4

Minutes

MINUTES OF MEETING
OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Osceola Chain of Lakes Community Development District was held Wednesday, November 6, 2019, at 1:30 p.m. at the District office, 313 Campus Street, Celebration, FL 34747.

Present and constituting a quorum were:

Anthony Iorio	Chairman
Kimberly Locher	Assistant Secretary
Jason Lonas	Assistant Secretary

Also present were:

Gary Moyer	Manager: Moyer Management Group
Sarah Sandy (<i>by phone</i>)	Attorney: Hopping Green & Sams
Nicole Stalder	Engineer: Dewberry
Justin Rowan	MBS Capital Markets

FIRST ORDER OF BUSINESS

Call to Order

Mr. Iorio called the meeting to order at 1:30 p.m.

SECOND ORDER OF BUSINESS

Roll Call

Mr. Iorio called the roll and stated a quorum was present for the meeting.

THIRD ORDER OF BUSINESS

Public Comment Period

There being none, the next order of business followed.

FOURTH ORDER OF BUSINESS

Approval of August 21, 2019, Special Meeting Minutes

Mr. Iorio reviewed the minutes, which are included in the agenda package and are available for public review in the District Office during normal business hours or on the website, and requested additions, corrections, or deletions.

Ms. Sandy stated I reviewed the minutes, and the comments I had were incorporated into the version included in the agenda package. I have no further comments.

On MOTION by Ms. Locher, seconded by Mr. Lonas, with all in favor, unanimous approval was given to accept the minutes of the August 21, 2019, special meeting, as presented.
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FIFTH ORDER OF BUSINESS

Bond-Related Matters

A. Second Supplemental Engineering Report

Mr. Moyer stated in early October, I signed work authorization #2 so Ms. Stalder could prepare the engineering report for the Series 2020 bonds. I will ask the Board ratify

work authorization #2 in the amount of \$7,600, which includes a short agreement for engineering services related to the Series 2020 bonds.

On MOTION by Mr. Lonas, seconded by Ms. Locher, with all in favor, unanimous approval was given to work authorization #2 to prepare the second supplemental engineer's report for the Series 2020 Bonds, in the amount of \$7,600.

Mr. Moyer distributed the draft of the second supplemental engineering report prepared by Ms. Stalder.

Ms. Stalder stated the second supplemental engineering report is for Phases 3, 4, and 5. The beginning of the report includes standard information related to the community and the intent of the report. Phase 3 is nearing completion. Phase 4 and then subsequently Phase 5 will begin in the two years following. Infrastructure includes onsite public roadways; water, sewer, and reclaimed distribution systems; an offsite public roadway improvement on Alligator Lake; portions of the master stormwater system that will be completed with Phase 3; master stormwater conveyance system; landscape, hardscape, and irrigation; and portions of the electrical service system for Phases 3, 4, and 5. I discussed with Mr. Iorio that it slipped my mind this project has been annexed, so I will need to make a couple amendments showing that. References to Osceola County throughout will essentially all be revised to say the entire project has been annexed. The onsite roadway for Phase 3 is intended to be completed this year.

Mr. Iorio stated yes, and we will warranty deed that to the District to transfer maintenance to the City of Kissimmee.

Ms. Stalder asked is Ms. Sandy working with Mr. Andres Arvelo to figure out the stamp that needs go on the plat? He was going to include language on the plat that the roadways will go through the District before going to the City.

Ms. Sandy stated I have not spoken to him specifically on the Phase 3 portion, but I know we had that conversation before. Mr. Iorio and I discussed last week on what the City would be comfortable with because we received some pushback from the County. They suggested some language that it be conveyed by separate instrument at a later date to the City.

Ms. Stalder stated yes, that was the initial conversation with the County.

Mr. Iorio stated at this point, the roads will have a certificate anticipated by the first week of December, and then they would be transferred immediately to the District. Then the District can convey it. We included language on the plat that the roads can be conveyed. We just want them to pass through the District properly. I know there are a number of ways to do it, but that was what we thought would be easiest. We can discuss alternatives.

Ms. Sandy stated we need to talk with the City and see what they would be comfortable with. Shall I reach out to Mr. Arvelo on this?

Mr. Iorio stated yes, he has been coordinating the plat with the City, so it would be helpful to have him be the point person for that to make sure they are comfortable with what we are proposing.

Ms. Sandy stated Mr. Iorio had asked if any of the improvements from Phases 1 and 2 that had not been reimbursed through bond proceeds could be included in this next project so we can use future bond proceeds to reimburse them. It looks like the engineering report speaks specifically to Phases 3, 4, and 5, so I presume those numbers are not included in this report. Is that something we want to continue discuss doing?

Mr. Iorio stated yes. The discussion had a lot to do with the contribution portion. The thought in speaking with the engineer was to look at the stormwater that was associated with the contribution, which was \$900,000+ and using that in this bond offering.

Ms. Stalder stated I did not add anything from the first supplemental engineering report in the second supplemental report. Should I note it in the stormwater section to say it will include portions of the 2018 Project?

Ms. Sandy stated yes, the statement could be in that section. It could be portions of either Phase 1 or Phase 2 stormwater. Under the cost summary, you could separate it out as a separate line item.

Ms. Stalder stated there is already A and B for onsite and offsite conveyance and for earthwork, so I can add another line, but I am trying to figure out what to call it. Is it a portion of Phases 1 and 2, or will it be some random fraction?

Mr. Iorio stated I think it will be the balance of the stormwater system for Phases 1 and 2.

Ms. Stalder stated I think it was for the pump.

Mr. Iorio stated yes, and that had already been turned over to the District.

Ms. Stalder stated we could probably call it the remainder of that system.

Ms. Sandy stated yes, I think we can also explain it in a footnote that the total acquisition amount was x, and y was funded by the Series 2018 Bonds, with a balance of \$900,000, which remaining amount will be funded by the Series 2020 Bonds.

Ms. Stalder asked is it sufficient for that note to be on the cost estimate?

Mr. Rowan stated Ms. Sandy put together a chart that demonstrated total costs, total costs paid for with bond proceeds, eligible costs that could be potentially acquired with Series 2020 Bond proceeds, plus future Phases 3, 4, and 5. Do you want to separate three columns of costs to show what was previously financed, what is eligible, and what is specifically for Phases 3, 4, and 5?

Ms. Sandy stated I have seen that before, and I think it is helpful to have as an additional exhibit, especially since this bond issue will finish out the project. We can show what happened, what was financed, and what is remaining.

Ms. Stalder stated I just received the costs from Hanover Lakes on Thursday, so I do not know if the costs Mr. Rowan has would be the same.

Mr. Rowan stated this would be for outside of Phases 3, 4, and 5.

Mr. Iorio stated we are looking at Phases 1 and 2.

Ms. Stalder stated the stormwater figure was \$900,000, and then we determined what was left over.

Ms. Sandy stated we need a summary of where we are at this point and what has been done already. I can also provide an engineering report for another district where we did something similar in the past.

Mr. Iorio stated I provided some comments to Ms. Stalder with some updates and minor revisions. Some of the percentages for completion need to be changed because we are farther along than what is shown. The offsite construction will actually be completed at the same time as the infrastructure for Phase 3. The issue with the City was another big thing. Another question I had was on the graphics we have for the maps. I was not involved in the project in the beginning, but I understood the ponds were tied into Phase 1 and then into Phase 2. If someone picked up this report and tried to understand where the project is, all the other fingers of the pond are in Phase 3, and the others were done in Phase 1. I can discuss this after the meeting with Ms. Stalder.

Ms. Stalder stated yes because this is not how it was setup or decided how it was going to be done.

Mr. Iorio stated the numbers you are seeing from our engineer is for work that has been done, and we have that data available.

Ms. Stalder stated some of the numbers wound up being almost exactly the same.

Mr. Iorio stated yes.

Ms. Sandy stated one thing I had discussed with Mr. Iorio but not with Ms. Stalder is the \$900,000 for that portion of the stormwater that was not reimbursed from the Series 2018 Bonds. The Board had previously recognized it as part of the developer's contribution requirement. Instead of utilizing that portion as a piece that could be reimbursed with bond proceeds, I think we would have to recognize the entire developer contribution in Phases 1 and 2 infrastructure, which I believe is about \$3 million. That should not be a problem based on what we have heard, that all the infrastructure from Phases 1 and 2 has been completed and conveyed to their final ownership and maintenance entity. Then we can recognize that contribution. That piece will have to be part of this.

Mr. Iorio asked is that something you will put together, or Ms. Stalder will?

Mr. Moyer stated we will put that together as part of the assessment report because that is where you pick it up.

Ms. Sandy stated we will work with Ms. Stalder, and we will prepare a resolution recognizing that remaining contribution. It can reference the supplemental engineer's report and show the infrastructure that has been completed that was not paid for by the District.

Mr. Moyer asked is it appropriate for the Board to approve the second supplemental engineer's report, incorporating the comments we made so that we do not slow up the process?

Ms. Sandy stated I have not had time to review it since it was provided just prior to the Board meeting. I do not think the Board has to approve it today. I do not think that will slow up the process at this point. If the Board is comfortable with it being presented today, the Board could approve it in substantial form, subject to further review by the financing team and me for use in the acquisition agreement. We are not going to market right now, so I do not think it is necessary to approve it today.

Mr. Iorio stated I think it is important to keep the process moving to take your recommendation to approve it in substantial form with respective comments back from the attorney, the engineer, and the financing team.

On MOTION by Mr. Iorio, seconded by Ms. Locher, with all in favor, unanimous approval was given to the second supplemental engineering report in substantial form, subject to further review and comment by members of the financing team.

B. Consideration of Financing Team Funding Agreement for Series 2020 Bonds

Ms. Sandy stated this is a standard agreement we will have anytime we are moving forward with a bond issuance since it is not budgeted for in the District's budget. We had an agreement like this when we issued the Series 2018 Bonds. It essentially provides that the developer will agree to front any costs that the District will have in conjunction with the issuance of Series 2020 Bonds, and the developer will be repaid at the time of bond closing, if any costs have been paid at that point. Usually most of these items are paid out of bond closing proceeds, but this covers the District to be sure that if we did not issue bonds or if something needs to be paid prior to closing, they would be covered.

On MOTION by Mr. Lonas, seconded by Ms. Locher, with all in favor, unanimous approval was given to the financing team funding agreement for the Series 2020 Bonds.

C. Consideration of Acquisition Agreement for Series 2020 Bonds

Ms. Sandy stated this is very similar to the agreement the District approved previously for the Series 2018 project. This agreement provides the terms under which the District and developer will work together for the District to acquire the Series 2020 project improvements. I provided it to the developer, and they were fine with this form. The engineer's report will be attached to this agreement. We will attach the final version of the report to this agreement.

On MOTION by Mr. Lonas, seconded by Ms. Locher, with all in favor, unanimous approval was given to the acquisition agreement for the Series 2020 Bonds in substantial form, subject to finalization of the second supplemental engineering report.

D. Consideration of Investment Banking Agreement for Series 2020 Bonds

Mr. Moyer reviewed the investment banking agreement with MBS Capital Markets for the Series 2020 Bonds, which is similar to the investment banking agreement the District approved for the Series 2018 Bonds, which is required by various SEC (security and exchange commission) directives.

Mr. Rowan stated this is a supplement to our original agreement. The SEC and MSRB (municipal securities rulemaking board) require us to have a separate engagement for each separate and individual bond issuance. All the terms and provisions in the original agreement remain the same. This is to reinforce that it applies to the next bond issuance.

On MOTION by Ms. Locher, seconded by Mr. Lonas, with all in favor, unanimous approval was given to the investment banking agreement with MBS Capital Markets for the Series 2020 Bonds.

SIXTH ORDER OF BUSINESS

District Manager Report

A. Financial Statements (*September 2019*)

Mr. Moyer reviewed the financial statements, which are contained in the agenda package and available for public review on the website or at the District office during normal business hours.

Mr. Moyer stated the numbers shown in the financial statements are for 12 months of activity in the District. In round numbers, we adopted a budget of \$166,000, and through the end of September spent \$135,000, so we are about \$31,000 under budget. That is broken down into expenditures for administrative being almost \$32,000 under budget, and general field for landscaping at \$29,000 under budget. In total, we are \$61,000 under budget on expenses.

B. Check Register

Mr. Moyer reviewed the check register contained in the agenda package and available for public review on the website or at the District office during normal business hours.

C. Ratification of Funding Request #17

Mr. Moyer reviewed funding request #17 in the amount of \$13,627.12, as contained in the agenda package and available for public review on the website or at the District office during normal business hours.

D. Approval of Funding Request #18

Mr. Moyer reviewed funding request #18 in the amount of \$10,825.11, as contained in the agenda package and available for public review on the website or at the District office during normal business hours.

E. Consideration of Resolution 2020-01 Amending the General Fund Budget for Fiscal Year 2019

Mr. Moyer read Resolution 2020-01 into the record by title.

Mr. Moyer stated this will true up the budget for the expenditures, so it will be clearly shown to anyone who wants to review our financial statements.

On MOTION by Mr. Lonas, seconded by Ms. Locher, with all in favor, unanimous approval was given to approve the check register and invoices, to ratify funding request #17 in the amount of \$13,627.12, to approve funding request #18 in the amount of \$10,825.11, and to approve Resolution 2020-01 amending the general fund budget for fiscal year 2019, as presented.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Sandy stated we will be moving forward with documents and keeping the bond process moving forward. At the last meeting, I indicated we are rolling out revised rules of procedure. I had hoped to include them in the agenda package but forgot to send them to Ms. Brenda Burgess. My apologies for that, and we will include them in the next agenda package. It is a housekeeping item.

B. Engineer

There being nothing to report, the next order of business followed.

EIGHTH ORDER OF BUSINESS

Public Comment Period

There being none, the next order of business followed.

NINTH ORDER OF BUSINESS

Other Business

There being none, the next order of business followed.

TENTH ORDER OF BUSINESS

Supervisor Requests

There being none, the next order of business followed.

ELEVENTH ORDER OF BUSINESS

Adjournment

- The next meeting is scheduled for December 4, 2019, at 1:30 p.m.

On MOTION by Ms. Locher, seconded by Mr. Lonas, with
all in favor, the meeting adjourned at 2:00 p.m.

Gary L. Moyer, Secretary

Anthony Iorio, Chairman

Section 5

Administrative Matters

Subsection 5a

Resignation from
Ryan Kahn

Mr. Iorio,

Please accept this letter as my resignation from the Board of Supervisors of the Osceola Chain of Lakes Community Development District effective June 30th, 2019.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ryan Kahn", with a stylized, cursive script.

Ryan Kahn

Section 6

Bond-Related Matters

Subsection 6a

Engineer's Report

(provided under
separate cover)

Subsection 6b

Assessment Report



Moyer Management Group, Inc.

Community Development District Management Consulting

SECOND SUPPLEMENTAL ASSESSMENT REPORT FOR OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT

Capital Improvement Revenue Bonds, Series 2020

December ____, 2019

Prepared for:

Board of Supervisors
Osceola Chain of Lakes
Community Development District

Prepared by:

Moyer Management Group, Inc.
313 Campus Street
Celebration, FL 34747
321-939-4301

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SECOND SUPPLEMENTAL ASSESSMENT REPORT FOR
OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT
(Capital Improvement Revenue Bonds, Series 2020)

December ____, 2019

1.0 Introduction

1.1 Purpose

The Osceola Chain of Lakes Community Development District (“District”) is situated in Osceola County and includes 177.038 gross acres within its boundaries. This Second Supplemental Assessment Report (“Supplemental Report”) provides a methodology for allocating the assessments securing the repayment of the District’s Capital Improvement Revenue Bonds, Series 2020 (“Series 2020 Bonds”), which follows the methodology more fully described in the Master Assessment Report dated January 3, 2018 (the “Master Report”), relating to the District’s CIP (hereinafter defined) and the allocation of the maximum special assessment lien. The District desires to issue the Series 2020 Bonds to provide assessable improvements to certain properties located within the District, which includes 177.038 gross acres within its boundaries. The Series 2020 Bonds will be secured by the assessments levied on certain property in the District identified in the Series 2020 Assessment Roll attached hereto as Exhibit A (the property identified therein is referred to herein as the “2020 Assessment Area”).

Following a publicly noticed hearing on January 3, 2018, the District approved the Master Report, which specifies the allocation methodology to be used for the District’s debt assessments. This Supplemental Report will follow the methodology described in the Master Report for purposes of allocating the assessments securing the District’s Series 2020 Bonds.

This Supplemental Report is designed to conform to the requirements of Chapters 170 and 190, Florida Statutes, with respect to special assessments and is consistent with our understanding of the case law on this subject. Refer to the Master Report, for an explanation on the items that a valid assessment must contain and other details related to the methodology described therein. All capitalized terms not defined herein shall retain the meaning ascribed in the Master Report.

1.2 Background

The District is planned to include two housing types constructed in five (5) phases.

The Board of Supervisors (“Board”) for the District adopted a master capital improvement plan on January 3, 2018 (the “CIP”), as described in the Master Engineer’s Report (the “Master Engineer’s Report”). The District’s overall CIP is to be developed and delivered as a system of improvements benefitting all lands within the five phases throughout the District. This Report addresses the allocation of the costs of a portion of the District’s CIP, as more fully described in the Supplemental Engineer’s Report (hereinafter defined) (the “Series 2020 Project”) to developable properties located within the 2020 Assessment Area that receive a special benefit from the District’s Series 2020 Project.

2.0 Series 2020 Project and Series 2020 Bonds

2.1 Series 2020 Project

The Series 2020 Project is a portion of the District’s CIP necessary to support further development of lands within the District, as more fully described in the 2020 Supplemental Engineer’s Report dated _____, 2019 (the “Supplemental Engineer’s Report”). Per the Master Engineer’s Report, the District Engineer estimates the total cost of the CIP at \$15,719,172. Per this Supplemental Report, the District Engineer estimates the cost of the Series 2020 Project at \$9,020,533, a portion of which will be funded by the Series 2020 Bonds. The portion of the Series 2020 Project not funded with proceeds of the Series 2020 Bonds will be funded by Hanover Lakes, LLC (the “Developer”). The remaining portion of the CIP beyond the Series 2020 Project will be funded by the Developer, anticipated future Bonds, or other available sources.

TABLE 1. Series 2020 Project

PROPOSED IMPROVEMENTS	COST
1. Master Utilities System	
a. Sanitary Sewer	\$ 1,416,412
b. Water Distribution System	\$ 780,855
c. Reuse Water System	\$ 510,577
2. Master Stormwater Management System	
a. Pond and Roadway Earthwork	\$ 681,576
b. Onsite and Offsite Storm Conveyance System	\$ 610,594
c. 2018 Project Carryover	\$ 910,823
3. Electrical Service Systems (Underground)	\$ 303,885
4. Conservation/Mitigation Areas	\$ 358,866
5. Onsite Roadway Improvements	\$ 1,556,811
6. Offsite Roadway and Utility Improvements	\$ 311,162
7. Landscaping, Hardscaping, and Irrigation	\$ --
8. Professional Consulting and Legal Fees	\$ 467,801
9. Contingency (15%)	<u>\$ 1,111,191</u>
TOTAL	\$ 9,020,533

2.2 Series 2020 Bond Sizing and Series 2020 Assessments

In order to provide for the Series 2020 Project funding described in Section 2.1 above, the District will issue the Series 2020 Bonds in the aggregate principal amount of \$5,890,000, which will fund a portion of the Series 2020 Project. Table 2 below presents the general financing terms of the Series 2020 Bonds. The Series 2020 Bonds will be structured as amortizing current-interest bonds, with repayment occurring in substantially equal annual installments of principal and interest. Interest payment dates shall occur every May 1 and November 1 from the date of issuance until final maturity on May 1, 2050. Interest will be capitalized through November 1, 2020, with the first installment of principal due on May 1, 2021. The annual principal payment will be due each May 1 thereafter until final maturity. Aggregate maximum annual debt service (MADS) will be \$361,535.28.

The Series 2020 Bonds will be secured by the pledged revenues from Series 2020 Assessments. The Series 2020 Assessments will initially be levied in a principal amount of \$5,890,000, and shall

be structured in the same manner as the Series 2020 Bonds, so that revenues from the Series 2020 Assessments are sufficient to fulfill the debt service requirements for the Series 2020 Bonds.

It is expected that the Series 2020 Assessment installments assigned to platted units within the District will be collected via the Osceola County property tax collector (the “Uniform Method”). Accordingly, the Series 2020 Assessments may need to be adjusted to allow for current County collection costs and the possibility that landowners will avail themselves of early payment discounts. Currently, the aggregate rate for costs and discounts is 8.0%, but this may fluctuate as provided by law.

TABLE 2. Details of the Series 2020 Bonds

SOURCES		
Principal Amount of Series 2018 Bonds		<u>\$ 5,890,000.00</u>
TOTAL SOURCES		<u>\$ 5,890,000.00</u>
USES OF FUNDS		
Project Fund Deposits:		
Project Fund		\$ 5,192,644.86
Other Fund Deposits:		
Reserve Fund at MADS (50%)	\$ 180,767.64	
Capitalized Interest to November 1, 2020	<u>198,787.50</u>	
		\$ 379,555.14
Delivery Date Expenses:		
Cost of Issuance	\$ 200,000.00	
Underwriter’s Discount	<u>117,800.00</u>	
		<u>\$ 317,800.00</u>
TOTAL USES OF FUNDS		<u>\$ 5,890,000.00</u>
Dated Date	February 1, 2020	
Duration	30 years	
Interest Rate	4.50%	
Capitalized Interest (end)	November 1, 2020	

3.0 Assessment Methodology

3.1 Master Report Methodology

The District's Master Report contains specific special benefit findings relative to the Maximum Annual Assessments Per Unit, as described in Table 5 of the Master Report, and the District's CIP. As stated therein, the CIP Cost Per Unit and Maximum Annual Assessments Per Unit were allocated pursuant to an ERU-based methodology on a first-platted, first-assigned basis. Table 3 shows the allocation of the complete CIP to each ERU and the resulting debt allocation for the number of planned units within District.

Per Section 2.2 above, the Series 2020 Bonds will fund just a portion the District's Series 2020 Project, which is expected to be constructed in a manner generally proportionate to the construction of improvements for the overall CIP. Accordingly, it is expected that the improvements funded by the Series 2020 Bonds will confer benefit on the District's developable parcels in a manner generally proportionate to and consistent with the allocation of benefit found in the Master Report, with each lot sharing equally in the benefits/costs bestowed by such improvements based on the number of ERUs for each housing type. Therefore, it is proper to impose the Series 2020 Assessments on the parcels specified in the District's Series 2020 Assessment Roll, attached hereto as Exhibit A.

TABLE 3. Master Allocation of the CIP Per Unit and Debt Allocation

<u>Housing Type</u>	<u>Number of Units</u>	<u>ERU Factor</u>	<u>Total ERUs</u>	<u>CIP Per Unit Type</u>	<u>CIP Per Unit</u>	<u>Total Par Debt Per Unit Type</u>	<u>Total Par Debt Per Unit</u>
50' interior	140	1.00	140.00	\$3,144,608.12	\$22,461.49	\$2,053,286.85	\$14,666.33
50' lake	90	1.00	90.00	\$2,021,533.79	\$22,461.49	\$1,319,970.12	\$14,666.33
60' lake	<u>143</u>	1.20	171.60	<u>\$3,854,391.09</u>	\$26,953.78	<u>\$2,516,743.03</u>	\$17,599.60
	373		401.60	\$9,020,533.00		\$5,890,000.00	

3.2 Series 2020 Assessment Allocation

The Series 2020 Assessments levels for platted units are reflected in Table 4, which have been determined based on targeted annual assessment installments provided by the Developer in order to achieve a certain market-level end user assessment. In order to reduce the Series 2020

Assessments to the target level under the methodology, the platted units assigned Series 2020 Assessments are allocated the total CIP Per Unit shown in Table 3 (the “Total CIP Per Unit”), in accordance with the methodology in the Master Report. The District shall subsequently recognize a contribution of Series 2020 Project infrastructure from the Developer (the “Contribution”) in an amount equal to the difference between the Total CIP Per Unit and the CIP Per Unit amount funded based upon the targeted Series 2020 Assessment levels (the “2020 Assessment Funded CIP Per Unit”) reflected in Table 4. The per unit portion of the CIP funded by the Developer’s contribution (the “Developer-Funded CIP Per Unit”) is reflected in Table 5.

TABLE 4. Series 2020 Assessments

<u>Housing Type</u>	<u>Target Gross Annual Series 2020 Assessment Per Unit^{1,2}</u>	<u>Target Net Annual Series 2020 Assessment Per Unit</u>	<u>Estimated Series 2020 Assessment Principal Per Unit</u>	<u>2020 Assessment-Funded CIP Per Unit</u>	<u>Developer-Funded CIP Per Unit³</u>
50' interior	\$810.00	\$761.40	\$12,404.45	\$10,935.81	\$16,073.08
50' lake	\$1,164.00	\$1,094.16	\$17,825.65	\$15,715.16	\$11,293.73
60' lake	\$1,164.00	\$1,094.16	\$17,825.65	\$15,715.16	\$16,695.51

Notes: ¹ Maximum annual debt service in the aggregate is \$361,535.28.

² Includes 4% discount for early payment of real estate tax bills and 2% each for property appraiser and tax collector.

³ Amount calculated by determining the difference between the CIP Per Unit identified in Table 3 and the 2020 Assessment-Funded CIP Per Unit identified in this Table 4.

TABLE 5. Developer's Contribution Calculation

<u>Housing Type</u>	<u>Anticipated Series 2020 Assessment Unit Allocation</u>	<u>Developer-Funded CIP Per Unit</u>	<u>Anticipated Developer-Funded CIP Total</u>
50' interior	140	\$16,073.08	\$2,250,231.24
50' lake	90	\$11,293.73	\$1,016,435.51
60' lake	<u>143</u>	\$16,695.51	<u>\$2,387,457.25</u>
	373		\$5,654,124.00

Based on the number of units anticipated to absorb the Series 2020 Bond principal, it is estimated the Developer will contribute a total of \$5,654,124.00 in Series 2020 Project infrastructure, as

reflected in Table 5. If the Series 2020 Assessments are fully absorbed by platted residential lots prior to eight (8) years following the issuance of the Series 2020 Bonds, the District shall recalculate the Contribution amount owed by the Developer pursuant to the methodology provided herein based on the actual number of residential lots that fully absorb the Series 2020 Assessments. Further details regarding such calculation and the Contribution shall be governed by the Contribution Agreement and Completion Agreement entered into in connection with the issuance of the Series 2020 Bonds.

3.3 Assignment of Series 2020 Assessments

The assignment of Series 2020 Assessments to platted units will be done on a first-platted, first-assigned basis, consistent with the assessment methodology found in the Master Report and as further described below.

The lands in the 2020 Assessment Area currently consist of unplatted, undeveloped land. The Series 2020 Assessments will be initially levied on the parcels in the 2020 Assessment Area on an equal-assessment-per-gross-acre basis. At the time parcels in the 2020 Assessment Area are platted, individual Series 2020 Assessments will be assigned to the platted units at the per-unit amounts described in Table 4, thereby reducing the Series 2020 Assessments encumbering the remaining unplatted lands in the 2020 Assessment Area by a corresponding amount. Any unassigned amount of Series 2020 Assessments encumbering the remaining unplatted lands in the 2020 Assessment Area will continue to be calculated and levied on an equal assessment per gross acre basis. The Series 2020 Assessments will continue to be allocated until enough units have been platted to fully secure the entire principal of the Series 2020 Bonds.

In the event an unplatted parcel in the 2020 Assessment Area is sold to a third party not affiliated with the Developer, the Series 2020 Assessments will be assigned to that unplatted parcel based on the maximum total number of unit entitlements assigned to or sold with such unplatted parcel. The new owner of that unplatted parcel will be responsible for the total assessments applicable to the unplatted parcel, regardless of the total number of units ultimately actually platted. These total assessments are fixed to the unplatted parcel at the time of the sale. If the unplatted parcel is subsequently subdivided into smaller parcels, the total Series 2020 Assessments initially allocated to the unplatted parcel will be re-allocated to the smaller parcels pursuant to the methodology as described herein (i.e., equal assessment per acre until platting).

As of the date of this Supplemental Report, the 2020 Assessment Area includes 94.21 acres of unplatted, undeveloped land. The \$5,890,000.00 in unallocated Series 2020 Assessment principal shall be divided among the 94.21 acres of undeveloped lands in the 2020 Assessment Area, for an assessment level of \$62,519.90 per gross acre, as reflected in Table 7. The Series 2020 Assessments on the lands in the 2020 Assessment Area are reflected in the Series 2020 Assessment Roll, attached hereto as Exhibit A.

In the event that developable lands that derive benefit from the Series 2020 Project are added to the District boundaries, whether by boundary amendment or increase in density, the Series 2020 Assessments may be allocated to such lands, pursuant to the methodology described herein.

Based on the number of planned units, Table 6 illustrates those units anticipated to absorb the Series 2020 Assessments.

TABLE 6. Units Anticipated to Absorb Series 2020 Assessments

<u>Housing Type</u>	<u>Phase 3 Units¹</u>	<u>Phase 4 Units¹</u>	<u>Phase 5 Units¹</u>	<u>Total Units</u>
50' interior	58	55	27	140
50' lake	29	37	24	90
60' lake	<u>54</u>	<u>62</u>	<u>27</u>	<u>143</u>
	141	154	78	373

Notes: ¹ All units in Phases 3, 4, and 5 are anticipated to absorb the Series 2020 Assessments.

4.0 True-Up Payment of Series 2020 Assessments

The District's Series 2020 Assessment program is predicated on the development of a minimum of lots in the manner described in Table 6. However, if a change in development results in a net decrease in the overall principal amount of assessments able to be assigned to the 2020 Assessment Area, then a true-up, or principal reduction payment, will be required to cure the deficiency. As shown in Table 7, the initial debt assessment ceiling level for Series 2020 Bond principal per gross unplatted acre is \$62,519.90.

TABLE 7. Series 2020 Bonds Principal Ceiling for Unplatted Gross Acreage

Category	Unplatted Gross Acres	Total Unallocated Bond Principal	Total Bonds Principal Allocation per Gross Acre
Unplatted Gross Acreage	94.21	\$5,890,000.00	\$62,519.90

At regular intervals, i.e., when platted acreage represents 25%, 50%, 75%, and 100% of the acres within the entire 2020 Assessment Area (each such date being a “True-Up Date”), the District shall determine if the Series 2020 Bond debt per acre remaining on the unplatted land is greater than the Series 2020 Bond debt per acre of such land at the time of imposition of the initial assessment, and if it is, a True-Up Payment in the amount of such excess shall become due and payable by Developer in that tax year in accordance with the District’s Supplemental Report, in addition to the regular assessment installment payable for lands owned by the Developer. The District will ensure collection of such amounts in a timely manner in order to meet its debt service obligations, and in all cases, Developer agrees that such payments shall be made in order to ensure the District’s timely payments of the debt service obligations on the Series 2020 Bonds. The District shall record all True-Up Payments in its Improvement Lien book. For further detail on the true-up process, please refer to the True-Up Agreement.

Similarly, if a reconfiguration of lands would result in the collection of substantial excess assessment revenue in the aggregate, then the District shall undertake a pro rata reduction of assessments for all assessed properties.

5.0 Series 2020 Assessment Roll

The Series 2020 Assessments levied on the platted and unplatted lands in the 2020 Assessment Area are reflected in the Series 2020 Assessment Roll, attached hereto as Exhibit A.

EXHIBIT A

Subsection 6c

Trust Indenture

SECOND SUPPLEMENTAL TRUST INDENTURE

**OSCEOLA CHAIN OF LAKES
COMMUNITY DEVELOPMENT DISTRICT**

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

Dated as of January 1, 2020

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

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SECOND SUPPLEMENTAL TRUST INDENTURE

THIS SECOND SUPPLEMENTAL TRUST INDENTURE (the “Second Supplemental Indenture”) is dated as of January 1, 2020, from **OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT** (the “District”) to **U.S. BANK NATIONAL ASSOCIATION**, as trustee (the “Trustee”), a national banking association, authorized to accept and execute trusts of the character herein set forth, with its designated corporate trust office located at 225 East Robinson Street, Suite 250, Orlando, Florida 32801, Attention: Corporate Trust Department.

WHEREAS, the District entered into a Master Trust Indenture, dated as of March 1, 2018 (the “Master Indenture” and together with this Second Supplemental Indenture, the “Indenture”) with the Trustee to secure the issuance of its Osceola Chain of Lakes Community Development District Capital Improvement Revenue Bonds (the “Bonds”), issuable in one or more Series from time to time; and

WHEREAS, pursuant to Resolution No. 2018-25 adopted by the Governing Body of the District on November 1, 2017, the District has authorized the issuance, sale and delivery of not to exceed \$21,000,000 of Bonds, to be issued in one or more Series of Bonds as authorized under the Master Indenture, which Bonds were validated by final judgment of the Circuit Court of Osceola County, Florida on February 5, 2018, the appeal period for which expired with no appeal having been taken; and

WHEREAS, the Governing Body of the District duly adopted Resolution No. 2018-26, on November 1, 2017, providing for the acquisition, construction and installation of assessable capital improvements (the “Capital Improvement Program”), providing estimated Costs of the Capital Improvement Program, defining assessable property to be benefited by the Capital Improvement Program, defining the portion of the Costs of the Capital Improvement Program with respect to which Assessments will be imposed and the manner in which such Assessments shall be levied against such benefited property within the District, directing the preparation of an assessment roll, and stating the intent of the District to issue Bonds of the District secured by such Assessments to finance the Costs of the acquisition, construction and installation of the Capital Improvement Program and the Governing Body of the District duly adopted Resolution No. 2018-33, on January 3, 2018, following a public hearing conducted in accordance with the Act, to fix and establish the Assessments and the benefited property; and

WHEREAS, pursuant to Resolution No. 2020-[], adopted by the Governing Body of the District on [January 8, 2020], the District has authorized the issuance, sale and delivery of, among other things, its \$[Bond Amount] Osceola Chain of Lakes Community Development District Capital Improvement Revenue Bonds, Series 2020 (the “Series 2020 Bonds”), which are issued hereunder as an issue of Bonds under the Master Indenture, and has ratified and confirmed the Master Indenture and authorized the execution and delivery of this Second Supplemental Indenture to secure the issuance of the Series 2020 Bonds and to set forth the terms of the Series 2020 Bonds; and

WHEREAS, the District will apply the proceeds of the Series 2020 Bonds to (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Series 2020 Project (as defined herein), (ii) pay certain costs associated with the issuance of

the Series 2020 Bonds, (iii) make a deposit into the Series 2020 Reserve Account to be held for the benefit of all of the Series 2020 Bonds, and (iv) pay a portion of the interest to become due on the Series 2020 Bonds; and

WHEREAS, the Series 2020 Bonds will be payable from and secured in part by revenues derived from Assessments imposed, levied and collected by the District with respect to property specially benefited by the Series 2020 Project (the “Series 2020 Assessments”), which, together with the Series 2020 Pledged Funds (hereinafter defined), will comprise the Trust Estate securing the Series 2020 Bonds (the “Series 2020 Trust Estate”); and

WHEREAS, the execution and delivery of the Series 2020 Bonds and of this Second Supplemental Indenture have been duly authorized by the Governing Body of the District and all things necessary to make the Series 2020 Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations of the District and to make this Second Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the Series 2020 Trust Estate have been done;

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

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the mutual covenants herein contained, the purchase and acceptance of the Series 2020 Bonds by the purchaser or purchasers thereof, and other good and valuable consideration, receipt of which is hereby acknowledged, and in order to further secure the payment of the principal and Redemption Price of, and interest on, all Series 2020 Bonds Outstanding from time to time, according to their tenor and effect, and such other payments required to be made under the Master Indenture or hereunder, and to further secure the observance and performance by the District of all the covenants, expressed or implied in the Master Indenture, in this Second Supplemental Indenture and in the Series 2020 Bonds (a) has executed and delivered this Second Supplemental Indenture and (b) does hereby, in confirmation of the Master Indenture, grant, bargain, sell, convey, transfer, assign and pledge unto the Trustee, and unto its successors in the trusts under the Master Indenture, and to them and their successors and assigns forever, all right, title and interest of the District, in, to and under, subject to the terms and conditions of the Master Indenture and the provisions of the Master Indenture pertaining to the application thereof for or to the purposes and on the terms set forth in the Master Indenture, the revenues derived by the District from the Series 2020 Assessments (the “Series 2020 Pledged Revenues”) and the Funds and Accounts (except for the Series 2020 Rebate Account) established hereby (the “Series 2020 Pledged Funds”) which shall comprise a part of the Series 2020 Trust Estate;

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

IN TRUST NEVERTHELESS, except as in each such case may otherwise be provided in the Master Indenture, upon the terms and trusts in the Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the Series 2020 Bonds issued or to be issued under and secured by this Second Supplemental

Indenture, without preference, priority or distinction as to lien or otherwise, of any one Series 2020 Bond over any other Series 2020 Bond by reason of priority in their issue, sale or execution;

PROVIDED HOWEVER, that if the District, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal and Redemption Price of the Series 2020 Bonds or any Series 2020 Bond of a particular maturity issued, secured and Outstanding under this Second Supplemental Indenture and the interest due or to become due thereon, at the times and in the manner mentioned in the Series 2020 Bonds and this Second Supplemental Indenture, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Master Indenture and this Second Supplemental Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of the Master Indenture and this Second Supplemental Indenture, then upon such final payments, this Second Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all Series 2020 Bonds or any Series 2020 Bond of a particular maturity, otherwise this Second Supplemental Indenture shall remain in full force and effect;

THIS SECOND SUPPLEMENTAL INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Series 2020 Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the rights and property pledged to the payment thereof are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as expressed in the Master Indenture (except as amended directly or by implication by this Second Supplemental Indenture), including this Second Supplemental Indenture, and the District has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Series 2020 Bonds, as follows:

ARTICLE I DEFINITIONS

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

“Assessment Methodology” shall mean the Master Assessment Report, dated January 3, 2018, as supplemented by the Second Supplemental Assessment Report, dated [_____], 2020, each prepared by the Methodology Consultant.

“Beneficial Owners” shall have the meaning given such term by DTC so long as it is the registered Owner through its nominee Cede & Co. of the Series 2020 Bonds as to which such reference is made to enable such Series 2020 Bonds to be held in book-entry only form, and shall

otherwise mean the registered Owner on the registration books of the District maintained by the Bond Registrar.

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

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

“Capital Improvement Program” shall mean the program of assessable capital improvements established by the District in the Series 2020 Assessment Proceedings, a portion of which is comprised of the Series 2020 Project.

“Collateral Assignment” shall mean the Collateral Assignment and Assumption of Development and Contract Rights by and between the District and the Developer, dated as of [Closing Date].

“Completion Agreement” shall mean the Agreement by and between the District and the Developer Regarding the Completion of Certain Improvements Relating to the Series 2020 Project and Acknowledgement of Contribution Requirement, dated as of [Closing Date].

“Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement, by and among the District, the Developer and [_____], as dissemination agent, dated as of [Closing Date].

“Delinquent Assessment Interest” shall mean Series 2020 Assessment Interest deposited by the District with the Trustee on or after May 1 of the year in which such Series 2020 Assessment Interest has, or would have, become delinquent under State law or the Series 2020 Assessment Proceedings applicable thereto.

“Delinquent Assessment Principal” shall mean Series 2020 Assessment Principal deposited by the District with the Trustee on or after May 1 of the year in which such Series 2020 Assessment Principal has, or would have, become delinquent under State law or the Series 2020 Assessment Proceedings applicable thereto.

“Delinquent Assessments” shall mean, collectively, Delinquent Assessment Principal and Delinquent Assessment Interest.

“Developer” shall mean Hanover Lakes, LLC, a Florida limited liability company.

“DTC” shall mean The Depository Trust Company, New York, New York.

“Engineer's Report” shall mean the [2020 Supplemental Engineer's Report], dated [_____], prepared by Dewberry Engineer's Inc.

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

“Interest Payment Date” shall mean each May 1 and November 1, commencing May 1, 2020.

“Landowner” shall mean RP Orange Blossom Owner, LLC, a Delaware limited liability company.

“Majority Owners” shall mean the Beneficial Owners of more than 50% in principal amount of the Outstanding Series 2020 Bonds.

“Methodology Consultant” shall mean Moyer Management Group, Inc.

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

“Redemption Date” shall mean an Interest Payment Date in the case of a partial redemption of Outstanding Series 2020 Bonds, or any date in the case of the redemption of all of the Outstanding Series 2020 Bonds.

“Series 2020 Assessment Interest” shall mean the interest on the Series 2020 Assessments which is pledged to the Series 2020 Bonds.

“Series 2020 Assessment Principal” shall mean the principal amount of Series 2020 Assessments received by the District which represents a proportionate amount of the principal of and Amortization Installments of the Series 2020 Bonds, other than applicable Delinquent Assessment Principal and Series 2020 Prepayments.

“Series 2020 Assessment Proceedings” shall mean the proceedings of the District with respect to the establishment, levy and collection of the Series 2020 Assessments which include Resolution Nos. 2018-26, 2018-27, 2018-33 and 2020-[], as supplemented, adopted by the Governing Body of the District, and any supplemental proceedings undertaken by the District with respect to the Series 2020 Assessments and the Assessment Methodology as approved thereby.

“Series 2020 Assessment Revenues” shall mean all revenues derived by the District from the Series 2020 Assessments, including proceeds from any foreclosure of the lien of Delinquent Assessments and any statutory interest on the Delinquent Assessments collected by the District in excess of the rate of interest on the Series 2020 Bonds.

“Series 2020 Assessments” shall mean the principal and interest of Series 2020 Assessments received by the District which corresponds to a proportionate amount of the principal and interest of the Series 2020 Bonds.

“Series 2020 Investment Obligations” shall mean and includes any of the following securities, if and to the extent that such securities are legal investments for funds of the District:

(a) Government Obligations;

(b) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies or such other government-sponsored agencies which may presently exist or be hereafter created; provided that, such bonds, debentures, notes, or other evidences of indebtedness

are fully guaranteed as to both principal and interest by the 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; 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;

(c) Both (i) shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940) or a regulated investment company (as defined in Section 851(a) of the Code) that is a money market fund that is rated in the highest rating category for such funds by Moody's and S&P, and (ii) shares of money market mutual funds that invest only in the obligations described in (a) and (b) above;

(d) 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; and

(e) Commercial paper (having maturities of not more than 270 days) rated, at the time of purchase, in one of the two highest rating categories, without regard to gradation, by Moody's and S & P.

Under all circumstances, the Trustee shall be entitled to conclusively rely that any investment directed in writing by an Authorized Officer of the District is permitted under the Indenture and is a legal investment for funds of the District.

“Series 2020 Prepayment Interest” shall mean the interest on the Series 2020 Prepayments received by the District.

“Series 2020 Prepayments” shall mean the excess amount of Series 2020 Assessment Principal received by the District over the Series 2020 Assessment Principal included within a Series 2020 Assessment appearing on any outstanding and unpaid tax bill, whether or not mandated to be prepaid in accordance with the Series 2020 Assessment Proceedings. Anything herein or in the Master Indenture to the contrary notwithstanding, the term Series 2020 Prepayments shall not mean the proceeds of any Refunding Bonds or other borrowing of the District.

“Series 2020 Project” shall mean that portion of the Capital Improvement Program being developed on and benefitting phases 3, 4, and 5 of the District and financed with the proceeds of the Series 2020 Bonds on deposit in the Series 2020 Acquisition and Construction Account, as more particularly described in the Engineer's Report attached hereto as Exhibit A.

“Series 2020 Reserve Account Requirement” shall mean an amount equal to 50% of the Maximum Annual Debt Service Requirement for the Series 2020 Bonds, as of the time of any such calculation, which on the date of initial issuance is \$[RAR].

“True-Up Agreement” shall mean the Agreement Between the District and the Developer Regarding the True-Up and Payment of Series 2020 Assessments, dated as of [Closing Date].

ARTICLE II
AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2020
BONDS

Section 201. Authorization of Series 2020 Bonds; Book-Entry Only Form. The Series 2020 Bonds are hereby authorized to be issued in one Series in the aggregate principal amount of \$[Bond Amount] for the purposes enumerated in the recitals hereto to be designated “Osceola Chain of Lakes Community Development District Capital Improvement Revenue Bonds, Series 2020.” The Series 2020 Bonds shall be substantially in the form attached hereto as Exhibit B. Each Series 2020 Bond shall bear the designation “2020-R” and shall be numbered consecutively from 1 upwards.

The Series 2020 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2020 Bond for each maturity thereof. Upon initial issuance, the ownership of each such Series 2020 Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the initial Bond Depository. Except as provided in this Section 201, all of the Outstanding Series 2020 Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC.

With respect to Series 2020 Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the District, the Trustee, the Bond Registrar, and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any indirect Bond Participant. Without limiting the immediately preceding sentence, the District, the Trustee, the Bond Registrar, and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Bond Participant with respect to any ownership interest in the Series 2020 Bonds, (ii) the delivery to any Bond Participant or any other person other than an Owner, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the Series 2020 Bonds, including any notice of redemption, or (iii) the payment to any Bond Participant or any other person, other than an Owner, as shown in the registration books kept by the Bond Registrar, of any amount with respect to principal of, premium, if any, or interest on the Series 2020 Bonds. The District, the Trustee, the Bond Registrar, and the Paying Agent shall treat and consider the person in whose name each Series 2020 Bond is registered in the registration books kept by the Bond Registrar as the absolute Owner of such Series 2020 Bond for the purpose of payment of principal, premium, and interest with respect to such Series 2020 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2020 Bond, for the purpose of registering transfers with respect to such Series 2020 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2020 Bonds only to or upon the order of the respective Owners, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the District’s obligations with respect to payment of principal of, premium, if any, and interest on the Series 2020 Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books kept by the Bond Registrar, shall receive a certificated Series 2020 Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to the provisions hereof. Upon delivery by DTC to the District of written notice to the effect that

DTC has determined to substitute a new Nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the words “Cede & Co.” in this Second Supplemental Indenture shall refer to such new Nominee of DTC; and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Trustee, the Bond Registrar and the Paying Agent.

Upon receipt by the Trustee or the District of written notice from DTC: (i) confirming that DTC has received written notice from the District to the effect that a continuation of the requirement that all of the Outstanding Series 2020 Bonds be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, is not in the best interest of the Beneficial Owners of the Series 2020 Bonds; or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute Bond Depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, the Series 2020 Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, but may be registered in whatever name or names Owners transferring or exchanging the Series 2020 Bonds shall designate, in accordance with the provisions hereof.

Section 202. Terms. The Series 2020 Bonds shall be issued as [four] Term Bonds, shall be dated as of the date of their issuance and delivery to the initial purchasers thereof, shall bear interest at the interest rates per annum and shall mature in the amounts and on the dates set forth below:

<u>Number</u>	<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP</u>
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Section 203. Dating; Interest Accrual. Each Series 2020 Bond shall be dated [Closing Date]. Each Series 2020 Bond also shall bear its date of authentication. Each Series 2020 Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication: (i) is an Interest Payment Date to which interest on such Series 2020 Bond has been paid, in which event such Series 2020 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the Series 2020 Bonds, in which event, such Series 2020 Bond shall bear interest from its date. Interest on the Series 2020 Bonds shall be due and payable on each May 1 and November 1, commencing May 1, 2020, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 204. Denominations. The Series 2020 Bonds shall be issued in Authorized Denominations; provided, however, that the Series 2020 Bonds shall be delivered to the initial purchasers thereof only in aggregate principal amounts of \$100,000 or integral multiples of Authorized Denominations in excess of \$100,000.

Section 205. Paying Agent. The District appoints the Trustee as Paying Agent for the Series 2020 Bonds.

Section 206. Bond Registrar. The District appoints the Trustee as Bond Registrar for the Series 2020 Bonds.

Section 207. Conditions Precedent to Issuance of 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 District for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the District or upon its order, but only upon the further receipt by the Trustee of:

- (a) certified copies of the Series 2020 Assessment Proceedings;
- (b) executed copies of the Master Indenture and this Second Supplemental Indenture;
- (c) a customary Bond Counsel opinion;
- (d) the District Counsel opinion required by the Master Indenture;
- (e) a certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Series 2020 Bonds, the District will not be in default in the performance of the terms and provisions of the Master Indenture or this Second Supplemental Indenture;
- (f) an Engineer's Certificate which sets forth the estimated Costs of the Series 2020 Project;
- (g) a certificate of the Methodology Consultant addressing the validity of the Series 2020 Assessments;
- (h) a certified copy of the final judgment of validation in respect of the Bonds together with a certificate of no appeal; and
- (i) an executed Collateral Assignment, Completion Agreement and True-Up Agreement.

Payment to the Trustee of the purchase price of the Series 2020 Bonds shall conclusively evidence that the foregoing conditions precedent have been met to the satisfaction of the District and the underwriter.

ARTICLE III REDEMPTION OF SERIES 2020 BONDS

Section 301. Bonds Subject to Redemption. The Series 2020 Bonds are subject to redemption prior to maturity as provided in the form thereof attached hereto as Exhibit B. Interest on Series 2020 Bonds which are called for redemption shall be paid on the Redemption Date from the Series 2020 Interest Account or from the Series 2020 Revenue Account to the extent monies

in the Series 2020 Interest Account are insufficient for such purpose. Monies in the Series 2020 Optional Redemption Subaccount shall be applied in accordance with Section 506 of the Master Indenture to the optional redemption of Series 2020 Bonds.

ARTICLE IV
DEPOSIT OF SERIES 2020 BOND PROCEEDS AND APPLICATION
THEREOF; ESTABLISHMENT OF ACCOUNTS AND OPERATION
THEREOF

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

(a) within the Acquisition and Construction Fund held by the Trustee: (i) a Series 2020 Acquisition and Construction Account and (ii) a Series 2020 Costs of Issuance Account;

(b) within the Debt Service Fund held by the Trustee: (i) a Series 2020 Debt Service Account and therein a Series 2020 Sinking Fund Account, a Series 2020 Interest Account and a Series 2020 Capitalized Interest Account; and (ii) a Series 2020 Redemption Account and therein a Series 2020 Prepayment Subaccount and a Series 2020 Optional Redemption Subaccount;

(c) within the Reserve Fund held by the Trustee a Series 2020 Reserve Account, which shall be held for the benefit of all of the Series 2020 Bonds, without distinction as to Series 2020 Bonds and without privilege or priority of one Series 2020 Bond over another;

(d) within the Revenue Fund held by the Trustee a Series 2020 Revenue Account; and

(e) within the Rebate Fund held by the Trustee a Series 2020 Rebate Account.

Section 402. Use of Series 2020 Bond Proceeds. The net proceeds of sale of the Series 2020 Bonds in the amount of \$[NP] (consisting of \$[Bond Amount].00 principal amount of Series 2020 Bonds [less/plus] [net] original issue [discount/premium] of \$[OID] and less underwriter's discount in the amount of \$[UD]), shall as soon as practicable upon the delivery thereof to the Trustee by the District pursuant to Section 207 of the Master Indenture, be applied as follows:

(a) \$[RAR], representing the Series 2020 Reserve Account Requirement at the time of issuance of the Series 2020 Bonds shall be deposited to the credit of the Series 2020 Reserve Account;

(b) \$[COI], representing the costs of issuance relating to the Series 2020 Bonds shall be deposited to the credit of the Series 2020 Costs of Issuance Account;

(c) \$[CAPI], representing Capitalized Interest on the Series 2020 Bonds through and including November 1, 2020, shall be deposited to the credit of the Series 2020 Capitalized Interest Account; and

(d) \$[CD] shall be deposited to the credit of the Series 2020 Acquisition and Construction Account.

Section 403. Series 2020 Acquisition and Construction Account; Series 2020 Costs of Issuance Account. (a) Amounts on deposit in the Series 2020 Acquisition and Construction Account shall be applied to pay Costs of the Series 2020 Project upon compliance with the requisition provisions set forth in Section 503(b) of the Master Indenture and on the form attached hereto as Exhibit C. Anything in the Master Indenture to the contrary notwithstanding, the Consulting Engineer shall establish a Date of Completion for the Series 2020 Project, and any balance remaining in the Series 2020 Acquisition and Construction Account after such Date of Completion (taking into account the monies currently on deposit therein to pay any accrued but unpaid Costs of the Series 2020 Project which are required to be reserved in the Series 2020 Acquisition and Construction Account in accordance with the certificate of the Consulting Engineer delivered to the District and the Trustee establishing such Date of Completion), shall be deposited pursuant hereto to the Series 2020 Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series 2020 Bonds in accordance with Section 301 hereof and in the manner prescribed in the form of Series 2020 Bond attached hereto as Exhibit B, whereupon the Series 2020 Acquisition and Construction Account shall be closed.

(b) The amount deposited in the Series 2020 Costs of Issuance Account shall, at the written direction of an Authorized Officer to the Trustee, be used to pay the costs of issuance relating to the Series 2020 Bonds. On the earlier to occur of: (x) the written direction of an Authorized Officer or (y) six months from the date of issuance of the Series 2020 Bonds, any amounts deposited in the Series 2020 Costs of Issuance Account for which the Trustee has not received a requisition to pay such costs shall be transferred over and deposited into the Series 2020 Acquisition and Construction Account and used for the purposes permitted therefor. Any deficiency in the amount allocated to pay the costs of issuance relating to the Series 2020 Bonds shall be paid from excess monies on deposit in the Series 2020 Revenue Account pursuant to Section 408(d) hereof. When such deficiency has been satisfied and no monies remain therein, the Series 2020 Costs of Issuance Account shall be closed.

Section 404. Series 2020 Capitalized Interest Account. Amounts on deposit in the Series 2020 Capitalized Interest Account shall, until and including November 1, 2020, be transferred into the Series 2020 Interest Account and applied to the payment of interest first coming due on the Series 2020 Bonds, and thereafter transferred into the Series 2020 Acquisition and Construction Account, whereupon the Series 2020 Capitalized Interest Account shall be closed.

Section 405. Series 2020 Reserve Account. The Series 2020 Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2020 Reserve Account Requirement. Except as otherwise provided herein or in the Master Indenture, amounts on deposit in the Series 2020 Reserve Account shall be used only for the purpose of making payments into the Series 2020 Interest Account and the Series 2020 Sinking Fund Account to pay Debt Service on the Series 2020 Bonds, when due, without distinction as to Series 2020 Bonds and without privilege or priority of one Series 2020 Bond over another, to the extent the monies on deposit in such Accounts available therefor are insufficient and for no other purpose. The Series 2020 Reserve Account shall consist only of cash and Series 2020 Investment Obligations.

Anything herein or in the Master Indenture to the contrary notwithstanding, on the 45th day preceding each Interest Payment Date (or, if such 45th day is not a Business Day, on the first Business Day preceding such 45th day), the Trustee is hereby authorized and directed to recalculate the Series 2020 Reserve Account Requirement and to transfer any excess on deposit in the Series 2020 Reserve Account (other than excess resulting from earnings on investments, which shall be governed by Section 408(f) hereof) into the Series 2020 Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series 2020 Bonds.

On the earliest date on which there is on deposit in the Series 2020 Reserve Account sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2020 Bonds, together with accrued interest and redemption premium, if any, on such Series 2020 Bonds to the earliest Redemption Date permitted therein and herein, then the Trustee shall transfer the amount on deposit in the Series 2020 Reserve Account into the Series 2020 Prepayment Subaccount to pay and redeem all of the Outstanding Series 2020 Bonds on the earliest date permitted for redemption therein and herein.

Anything herein or in the Master Indenture to the contrary notwithstanding, amounts on deposit in the Series 2020 Reserve Account shall, upon the occurrence and continuance of an Event of Default, be subject to a first charge by the Trustee for its fees and expenses, including fees and expenses of collection of Delinquent Assessments.

Section 406. Amortization Installments; Selection of Bonds for Redemption. (a) The Amortization Installments established for the Series 2020 Bonds shall be as set forth in the form of Series 2020 Bonds attached hereto.

(b) Upon any redemption of Series 2020 Bonds (other than Series 2020 Bonds redeemed in accordance with scheduled Amortization Installments and other than Series 2020 Bonds redeemed at the direction of the District accompanied by a cash flow certificate as required by Section 506(b) of the Master Indenture), the Trustee shall cause Series 2020 Bonds to be redeemed in such amounts and having such maturities so as to result in Amortization Installments recalculated, and which shall be recalculated by the District, in such manner as shall amortize all the Outstanding Series 2020 Bonds of all of the terms in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining terms of all of the Series 2020 Bonds.

Section 407. Tax Covenants and Rebate Account. The District shall comply with the Tax Regulatory Covenants set forth in the tax certificate of the District issued in connection with the issuance of the Series 2020 Bonds, as amended and supplemented from time to time in accordance with their terms.

Section 408. Series 2020 Revenue Account; Application of Revenues and Investment Earnings. (a) The Trustee is hereby authorized and directed to deposit any and all amounts required to be deposited in the Series 2020 Revenue Account by this Section 408 or by any other provision of the Master Indenture or this Second Supplemental Indenture, and any other amounts or payments specifically designated by the District pursuant to a written direction or by a Supplemental Indenture for said purpose. The Series 2020 Revenue Account shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other monies of the Trustee.

(b) The Trustee shall deposit into the Series 2020 Revenue Account the Series 2020 Assessment Revenues other than Series 2020 Prepayments, which shall be identified by the District to the Trustee as such in writing upon deposit and which shall be deposited into the Series 2020 Prepayment Subaccount, and any other revenues required by other provisions of the Indenture to be deposited therein, including but not limited to Series 2020 Prepayment Interest.

(c) On the 45th day preceding each Interest Payment Date (or if such 45th day is not a Business Day, on the Business Day next preceding such 45th day), the Trustee shall determine the amount on deposit in the Series 2020 Prepayment Subaccount and, if the balance therein is greater than zero, shall transfer from the Series 2020 Revenue Account for deposit into the Series 2020 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to an integral multiple of \$5,000 (provided that there are sufficient funds remaining in the Series 2020 Revenue Account to pay Debt Service coming due on the Series 2020 Bonds on the next succeeding Interest Payment Date), and shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2020 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which monies are then on deposit in the Series 2020 Prepayment Subaccount in accordance with the provisions for extraordinary mandatory redemption of the Series 2020 Bonds set forth in the form of Series 2020 Bonds attached hereto, Section 301 hereof, and Article III of the Master Indenture.

(d) On May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall first transfer from the Series 2020 Capitalized Interest Account to the Series 2020 Interest Account the lesser of (x) the amount of interest coming due on the Series 2020 Bonds on such May 1 or November 1, less the amount already on deposit in the Series 2020 Interest Account, or (y) the amount remaining in the Series 2020 Capitalized Interest Account. Following the foregoing transfer, on such May 1 or November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall then transfer amounts on deposit in the Series 2020 Revenue Account to the Funds and Accounts designated below in the following amounts and in the following order of priority:

FIRST, to the Series 2020 Interest Account, the amount, if any, equal to the difference between the amount of interest payable on all Series 2020 Bonds then Outstanding on such May 1 or November 1, and (i) the amount transferred from the Series 2020 Capitalized Interest Account in accordance with this Section 408(d) and (ii) the amount already on deposit in the Series 2020 Interest Account not previously credited;

SECOND, on May 1, 2021 and on each May 1 thereafter, to the Series 2020 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2020 Bonds subject to mandatory sinking fund redemption on such May 1 and the amount already on deposit in the Series 2020 Sinking Fund Account not previously credited;

THIRD, to the Series 2020 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2020 Reserve Account Requirement with respect to the Series 2020 Bonds; and

FOURTH, the balance shall first be deposited into the Series 2020 Costs of Issuance Account to fund any deficiencies in the amount allocated to pay the costs of issuance relating to the Series 2020 Bonds, and then the balance shall be retained in the Series 2020 Revenue Account.

(e) On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the Series 2020 Revenue Account to the Series 2020 Rebate Account established for the Series 2020 Bonds in the Rebate Fund in accordance with the Master Indenture, the amount due and owing to the United States, which amount shall be paid to the United States when due in accordance with such Tax Regulatory Covenants.

(f) Anything herein or in the Master Indenture to the contrary notwithstanding, monies on deposit in all of the Funds and Accounts held as security for the Series 2020 Bonds shall be invested only in Series 2020 Investment Obligations. Earnings on investments in the Series 2020 Acquisition and Construction Account, the Series 2020 Interest Account and the Series 2020 Capitalized Interest Account shall be retained, as realized, in such Accounts and used for the purpose of such Accounts. Earnings on investments in the Funds and Accounts other than the Series 2020 Reserve Account, and other than as set forth above, shall be deposited, as realized, to the credit of the Series 2020 Revenue Account and used for the purpose of such Account.

Earnings on investments in the Series 2020 Reserve Account shall be disposed of as follows:

(i) if there was no deficiency (as defined in Section 509 of the Master Indenture) in the Series 2020 Reserve Account as of the most recent date on which amounts on deposit in the Series 2020 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2020 Reserve Account since such date which have created a deficiency, then earnings on investments in the Series 2020 Reserve Account shall be deposited into the Series 2020 Capitalized Interest Account through November 1, 2020, and thereafter shall be deposited into the Series 2020 Revenue Account and used for the purpose of such Account; and

(ii) if there was a deficiency (as defined in Section 509 of the Master Indenture) in the Series 2020 Reserve Account as of the most recent date on which amounts on deposit in the Series 2020 Reserve Account were valued by the Trustee, or if after such date withdrawals have been made from the Series 2020 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2020 Reserve Account shall be deposited into the Series 2020 Reserve Account until the amount on deposit therein is equal to the Series 2020 Reserve Account Requirement, and then earnings on investments in the Series 2020 Reserve Account shall be deposited into the Series 2020 Capitalized Interest Account through November 1, 2020, and thereafter shall be deposited into the Series 2020 Revenue Account and used for the purpose of such Account.

The foregoing determination and disbursement shall be made prior to any recalculation and transfer of excess amounts on deposit in the Series 2020 Reserve Account made pursuant to Section 405 hereof.

ARTICLE V CONCERNING THE TRUSTEE

Section 501. Acceptance by Trustee. The Trustee accepts the trusts declared and provided in this Second Supplemental Indenture and agrees to perform such trusts upon the terms and conditions set forth herein and in the Master Indenture.

Section 502. Limitation of Trustee's Responsibility. The Trustee shall not be responsible in any manner for the due execution of this Second Supplemental Indenture by the District or for the recitals contained herein, all of which are made solely by the District.

Section 503. Trustee's Duties. Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article VI thereof.

ARTICLE VI ADDITIONAL BONDS

Section 601. Limitation on Parity Bonds. Other than Refunding Bonds issued to refund the then Outstanding Series 2020 Bonds, the issuance of which results in net present value Debt Service savings, the District shall not, while any Series 2020 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Series 2020 Trust Estate. The District further covenants and agrees that it will not impose Assessments for capital projects on any lands subject to the Series 2020 Assessments without the written consent of the Majority Owners; provided, however, that the foregoing shall not preclude the imposition of Assessments on property subject to the Series 2020 Assessments which are necessary for health, safety, or welfare reasons, or to remediate a natural disaster, or to effect repairs to or replacement of property, facilities, or equipment of the District without the consent of the Majority Owners.

ARTICLE VII MISCELLANEOUS

Section 701. Confirmation of Master Indenture. As supplemented by this Second Supplemental Indenture, the Master Indenture is in all respects ratified and confirmed, and this Second Supplemental Indenture shall be read, taken and construed as a part of the Master Indenture so that all of the rights, remedies, terms, conditions, covenants and agreements of the Master Indenture, except insofar as modified herein, shall apply and remain in full force and effect with respect to this Second Supplemental Indenture and to the Series 2020 Bonds issued hereunder.

Section 702. Continuing Disclosure Agreement. Contemporaneously with the execution and delivery hereof, the District has executed and delivered the Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934. The District covenants and agrees to comply with the provisions of the Continuing Disclosure Agreement. However, as set forth therein, failure to so comply shall

not constitute an Event of Default hereunder, but instead shall be enforceable as provided in the Continuing Disclosure Agreement.

Section 703. Additional Covenant Regarding Assessments. In addition to, and not in limitation of, the covenants contained elsewhere in this Second Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2020 Assessments, including the Assessment Methodology, and to levy the Series 2020 Assessments and any required true-up payments set forth in the Assessment Methodology, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2020 Bonds, when due.

Section 704. Collection of Assessments. (a) Anything herein or in the Master Indenture to the contrary notwithstanding, Series 2020 Assessments levied on platted lots and pledged hereunder to secure the Series 2020 Bonds shall be collected pursuant to the Uniform Method, and Series 2020 Assessments levied on unplatted lands and pledged hereunder to secure the Series 2020 Bonds shall be collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method, in each case unless otherwise directed by the Trustee acting at the direction of the Majority Owners upon the occurrence and continuance of an Event of Default.

(b) All Series 2020 Assessments that are collected directly by the District and not via the Uniform Method shall be due and payable by the landowner no later than 30 days prior to each Interest Payment Date.

Section 705. Foreclosure of Assessment Lien. Notwithstanding Section 814 of the Master Indenture or any other provision of the Indenture to the contrary, the following provisions shall apply with respect to the Series 2020 Assessments and Series 2020 Bonds.

If any property shall be offered for sale for the nonpayment of any Series 2020 Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2020 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount equal to the balance due on the Series 2020 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive, in its corporate name or in the name of a special purpose entity, title to the property for the benefit of the Owners of the Series 2020 Bonds; provided that the Trustee shall have the right, acting at the direction of the Majority Owners, but shall not be obligated, to direct the District with respect to any action taken pursuant to this Section. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the Series 2020 Revenue Account. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall, after being provided assurances satisfactory to it of payments of its fees, costs, and expenses for doing so, be required to take the measures provided by law for listing for sale of property acquired by it as trustee for the benefit of the Owners of the Series 2020 Bonds within 60 days after the receipt of the request therefor signed by the Trustee or the Majority Owners. The Trustee may, upon direction from the Majority Owners, pay costs associated with any actions taken by District pursuant to this paragraph from any monies legally available for such purpose held under the Indenture.

Section 706. Owner Direction and Consent with Respect to Series 2020 Acquisition and Construction Account Upon Occurrence of Event of Default. In accordance with the provisions of the Indenture, the Series 2020 Bonds are payable solely from the Series 2020 Pledged Revenues and any other monies held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the District hereby acknowledges that (i) the Series 2020 Pledged Funds includes, without limitation, all amounts on deposit in the Series 2020 Acquisition and Construction Account then held by the Trustee, (ii) upon the occurrence of an Event of Default with respect to the Series 2020 Bonds, the Series 2020 Pledged Funds may not be used by the District (whether to pay Costs of the Series 2020 Project or otherwise) without the consent of the Majority Owners, except to the extent that prior to the occurrence of the Event of Default the District had incurred a binding obligation with third parties for work on the Series 2020 Project and payment is for such work, and (iii) upon the occurrence of an Event of Default with respect to the Series 2020 Bonds, the Series 2020 Pledged Funds may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture. The District shall not enter into any binding agreement with respect to the Series 2020 Project that will cause the expenditure of additional funds from the Series 2020 Trust Estate after the occurrence and during the continuance of an Event of Default unless authorized in writing by the Majority Owners.

Section 707. Assignment of District's Rights Under Collateral Assignment. Subject to the terms of the Collateral Assignment, the District hereby assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of the Series 2020 Bonds and any other Bonds issued under the Master Indenture. The Trustee shall not be deemed to have accepted any obligation under the Collateral Assignment by virtue of such assignment.

Section 708. Enforcement of True-Up Agreement and Completion Agreement. The District, either through its own actions, or actions caused to be taken through the Trustee, covenants that it shall strictly enforce all of the provisions of the Completion Agreement and the True-Up Agreement, and, upon the occurrence and continuance of a default under either or both of such Agreements, the District covenants and agrees that the Trustee, at the direction of the Majority Owners shall act on behalf of, and in the District's stead, to enforce the provisions of such Agreements and to pursue all available remedies under applicable law or in equity. Anything herein or in the Master Indenture to the contrary notwithstanding, failure of the District to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the Completion Agreement and True-Up Agreement upon demand of the Majority Owners, or the Trustee at the direction of the Majority Owners, shall constitute an Event of Default under the Indenture provided, however, that the District shall have a reasonable opportunity to cure.

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

(SEAL)

**OSCEOLA CHAIN OF LAKES
COMMUNITY DEVELOPMENT
DISTRICT**

Attest:

Secretary

By: _____
Chairman, Board of Supervisors

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Vice President

EXHIBIT A
DESCRIPTION OF SERIES 2020 PROJECT

[See Report of District Engineer Attached Hereto.]

EXHIBIT B

FORM OF SERIES 2020 BONDS

No. 2020R-

\$[]

**United States of America
State of Florida
OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2020**

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

Registered Owner: CEDE & CO.

Principal Amount:

OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT, a community development district duly established and existing pursuant to Chapter 190, Florida Statutes (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the registered Owner set forth above, or registered assigns, on the maturity date shown hereon, unless this Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture hereinafter mentioned) shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for or, if no interest has been paid, from the Dated Date shown above on May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing on May 1, 2020 until payment of said principal sum has been made or provided for, at the rate per annum set forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (as hereinafter defined), be paid to the registered Owner hereof at the close of business on the regular Record Date for such interest, which shall be the 15th day of the calendar month next preceding such Interest Payment Date or, if such day is not a Business Day on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 of the Master Indenture (hereinafter defined), the payment of interest and principal or Redemption Price or Amortization Installments shall be made by the Paying Agent (hereinafter defined) to such person who, on a special record date which is fixed by the Trustee, which shall be not more than 15 and not less than 10 days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the registered Owner of this Bond. Any payment of principal, Amortization Installment or Redemption Price shall be made only upon presentation hereof at the designated corporate trust office of U.S. Bank National Association, located in Orlando, Florida, or any alternate or successor paying agent (collectively, the "Paying Agent"), unless the Bonds are

held in the book-entry system in which case presentation shall not be required. Payment of interest shall be made by check or draft (or by wire transfer to the registered Owner set forth above if such Owner requests such method of payment in writing on or prior to the regular Record Date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner set forth above owns not less than \$1,000,000 in aggregate principal amount of the Series 2020 Bonds, as defined below). Interest on this Bond will be computed on the basis of a 360-day year of twelve 30-day months. During any period that this Bond is registered in the name of Cede & Co., as nominee of DTC, the provisions of the Supplemental Indenture (hereinafter defined) relating to the book-entry only system shall apply, including the payment provisions thereof. Capitalized terms used herein and not otherwise defined shall have the same meaning as set forth in the hereinafter defined Indenture.

This Bond is one of a duly authorized issue of Bonds of the District designated "Osceola Chain of Lakes Community Development District Capital Improvement Revenue Bonds, Series 2020" in the aggregate principal amount of \$[Bond Amount] (the "Series 2020 Bonds") issued under a Master Trust Indenture, dated as of March 1, 2018 (the "Master Indenture"), between the District and U.S. Bank National Association, Orlando, Florida, as trustee (the "Trustee"), as supplemented by a Second Supplemental Trust Indenture, dated as of January 1, 2020 (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture"), between the District and the Trustee (the Series 2020 Bonds together with any other Bonds issued under and governed by the terms of the Master Indenture are hereinafter collectively referred to as the "Bonds"). The District will apply the proceeds of the Series 2020 Bonds to (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Series 2020 Project (as defined in the Supplemental Indenture), (ii) pay certain costs associated with the issuance of the Series 2020 Bonds, (iii) make a deposit into the Series 2020 Reserve Account to be held for the benefit of all of the Series 2020 Bonds, and (iv) pay a portion of the interest to become due on the Series 2020 Bonds.

NEITHER THIS BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS BOND AND THE SERIES OF WHICH IT IS A PART AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON AND THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE AUTHORIZING THE ISSUANCE OF THE SERIES 2020 BONDS. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE TERMS HEREOF. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE TERMS HEREOF SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2020 PLEDGED REVENUES AND THE SERIES 2020 PLEDGED FUNDS PLEDGED TO THE SERIES 2020 BONDS, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

This Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes, and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the corporate trust office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, Amortization Installment and Redemption Price of, and the interest on, the Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of Assessments, the terms and conditions under which the Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Owners of the Bonds, and, by the acceptance of this Bond, the Owner hereof assents to all of the provisions of the Indenture. The Series 2020 Bonds are equally and ratably secured by the Series 2020 Trust Estate, without preference or priority of one Series 2020 Bond over another. The Supplemental Indenture does not authorize the issuance of any Additional Bonds ranking on parity with the Series 2020 Bonds as to the lien and pledge of the Series 2020 Trust Estate except, under certain circumstances, Refunding Bonds, and the Supplemental Indenture contains provisions limiting the imposition of capital assessments on property subject to the Series 2020 Assessments.

The Series 2020 Bonds are issuable only as registered bonds without coupons in current interest form in denominations of \$5,000 or any integral multiple thereof (an "Authorized Denomination"); provided, however, that the Series 2020 Bonds shall be delivered to the initial purchasers thereof only in aggregate principal amounts of \$100,000 or integral multiples of Authorized Denominations in excess of \$100,000. This Bond is transferable by the registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee in Orlando, Florida, as Bond Registrar (the "Bond Registrar"), upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably satisfactory to the Bond Registrar, subject to such reasonable regulations as the District or the Bond Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new Bond or Bonds, in the same aggregate principal amount as the Bond or Bonds transferred, will be issued to the transferee. At the corporate trust office of the Bond Registrar in Orlando, Florida, in the manner and subject to the limitations and conditions provided in the Master Indenture and without cost, except for any tax or other governmental charge, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate or rates.

The Series 2020 Bonds are subject to redemption prior to maturity at the option of the District on any Redemption Date on or after May 1, 20[] at the Redemption Price of the principal amount of the Series 2020 Bonds or portions thereof to be redeemed together with accrued interest to the Redemption Date.

The Series 2020 Bonds maturing May 1, 20[], are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from monies in the Series 2020 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without

premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>May 1</u> <u>of the Year</u>	<u>Amortization</u> <u>Installment</u>	<u>May 1</u> <u>of the Year</u>	<u>Amortization</u> <u>Installment</u>
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* Final maturity

The Series 2020 Bonds maturing May 1, 20[], are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from monies in the Series 2020 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

**May 1
of the Year**

**Amortization
Installment**

**May 1
of the Year**

**Amortization
Installment**

* Final maturity

The Series 2020 Bonds maturing May 1, 20[___], are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from monies in the Series 2020 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

**May 1
of the Year**

**Amortization
Installment**

**May 1
of the Year**

**Amortization
Installment**

* Final maturity

The Series 2020 Bonds maturing May 1, 20[___], are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from monies in the Series 2020 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

**May 1
of the Year**

**Amortization
Installment**

**May 1
of the Year**

**Amortization
Installment**

* Final maturity

As more particularly set forth in the Indenture, any Series 2020 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Series 2020 Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of Series 2020 Bonds other than from scheduled Amortization Installments so as to reamortize the remaining Outstanding principal balance of the Series 2020 Bonds as set forth in the Supplemental Indenture.

The Series 2020 Bonds are subject to extraordinary mandatory redemption prior to maturity on any Redemption Date in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the Redemption Date, if and to the extent that any one or more of the following shall have occurred:

(a) on or after the Date of Completion of the Series 2020 Project, by application of monies transferred from the Series 2020 Acquisition and Construction Account to the Series 2020 Prepayment Subaccount in accordance with the terms of the Indenture; or

(b) from amounts, including Series 2020 Prepayments, required by the Indenture to be deposited into the Series 2020 Prepayment Subaccount; or

(c) from amounts transferred to the Series 2020 Prepayment Subaccount resulting from a reduction in the Series 2020 Reserve Account Requirement resulting from Prepayments of Series 2020 Assessments as provided for in the Indenture; or

(d) from amounts transferred to the Series 2020 Prepayment Subaccount from the Series 2020 Acquisition and Construction Account upon the occurrence of an Event of Default as provided for in the Indenture; or

(e) on the date on which the amount on deposit in the Series 2020 Reserve Account, together with other monies available therefor, are sufficient to pay and redeem all of the Series 2020 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2020 Bonds shall be called for redemption, the particular Series 2020 Bonds or portions of Series 2020 Bonds to be redeemed shall be selected by lot by the Bond Registrar as provided in the Indenture, or as provided or directed by DTC.

Notice of each redemption of Series 2020 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than 30 nor more than 45 days prior to the Redemption Date to each registered Owner of Series 2020 Bonds to be redeemed at the address of such registered Owner recorded on the bond register maintained by the Bond Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Indenture, the Series 2020 Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Series 2020 Bonds or such portions thereof on such date, interest on such Series 2020 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2020 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such Series 2020 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Pursuant to the Indenture, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events or upon the later deposit of monies therefor

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

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

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Series 2020 Bonds then Outstanding under the Indenture may become and may be declared due and payable before the stated maturities thereof, with the interest accrued thereon.

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

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

If the District deposits or causes to be deposited with the Trustee cash or Federal Securities sufficient to pay the principal or Redemption Price of any Series 2020 Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of the Series 2020 Bonds as to the Series 2020 Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

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

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

All acts, conditions and things required by the Constitution and laws of the State of Florida and the ordinances and resolutions of the District to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Indenture, have happened, exist and have been performed as so required. This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Trustee of the Certificate of Authentication endorsed hereon.

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

Attest:

**OSCEOLA CHAIN OF LAKES
COMMUNITY DEVELOPMENT DISTRICT**

Secretary

By: _____
Chairman, Board of Supervisors

(SEAL)

CERTIFICATE OF AUTHENTICATION

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

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Date of Authentication:

[January __, 2020]

By: _____
Vice President

CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court for Osceola County, Florida rendered on February 5, 2018.

Chairman, Board of Supervisors,
Osceola Chain of Lakes
Community Development District

[FORM OF 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 the right of survivorship and not as tenants in common

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

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

[FORM OF ASSIGNMENT]

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

Dated:

Social Security Number or Employer

Identification Number of Transferee:

Signature guaranteed:

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

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

EXHIBIT C

FORM OF REQUISITION FOR SERIES 2020 PROJECT

The undersigned, an Authorized Officer of Osceola Chain of Lakes Community Development District (the “District”) hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture from the District to U.S. Bank National Association, Orlando, Florida, as trustee (the “Trustee”), dated as of March 1, 2018 (the “Master Indenture”), as supplemented by the Second Supplemental Trust Indenture from the District to the Trustee, dated as of January 1, 2020 (the “Supplemental Indenture” and together with the Master Indenture, the “Indenture”) (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

(A) Requisition Number:

(B) Name of Payee:

(C) Amount Payable:

(D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments, or, state Costs of Issuance, if applicable):

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

The undersigned hereby certifies that:

☐ obligations in the stated amount set forth above have been incurred by the District, that each disbursement set forth above is a proper charge against the Series 2020 Acquisition and Construction Account referenced above, that each disbursement set forth above was incurred in connection with the acquisition and construction of the Series 2020 Project and each represents a Cost of the Series 2020 Project, and has not previously been paid

OR

☐ this requisition is for costs of issuance payable from the Series 2020 Costs of Issuance Account that has not previously been paid.

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the monies 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 services rendered with respect to which disbursement is hereby requested are on file with the District.

**OSCEOLA CHAIN OF LAKES COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Authorized Officer

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

If this requisition is for a disbursement from other than the Series 2020 Costs of Issuance Account, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the Series 2020 Project and is consistent with: (i) the applicable acquisition or construction contract; (ii) the plans and specifications for the portion of the Series 2020 Project with respect to which such disbursement is being made; and (iii) the report of the Consulting Engineer attached as an exhibit to the Supplemental Indenture, as such report shall have been amended or modified on the date hereof.

Consulting Engineer

Subsection 6d

Resolution 2020-02

RESOLUTION NO. 2020-02

A RESOLUTION DELEGATING TO THE CHAIRMAN OF THE BOARD OF SUPERVISORS OF OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT (THE "DISTRICT") THE AUTHORITY TO APPROVE THE SALE, ISSUANCE, AND TERMS OF SALE OF OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2020, AS A SINGLE SERIES OF BONDS UNDER THE MASTER TRUST INDENTURE (THE "SERIES 2020 BONDS") IN ORDER TO FINANCE THE SERIES 2020 PROJECT; ESTABLISHING THE PARAMETERS FOR THE PRINCIPAL AMOUNTS, INTEREST RATES, MATURITY DATES, REDEMPTION PROVISIONS, AND OTHER DETAILS THEREOF; APPROVING THE FORM OF AND AUTHORIZING THE CHAIRMAN TO ACCEPT THE BOND PURCHASE AGREEMENT FOR SAID SERIES 2020 BONDS; RATIFYING THE MASTER TRUST INDENTURE AND APPROVING THE FORM OF SECOND SUPPLEMENTAL TRUST INDENTURE AND AUTHORIZING THE EXECUTION AND DELIVERY THEREOF BY CERTAIN OFFICIALS AND OFFICERS OF THE DISTRICT; APPOINTING A TRUSTEE, PAYING AGENT, AND BOND REGISTRAR FOR SAID SERIES 2020 BONDS; APPROVING THE FORM OF AND AUTHORIZING THE USE OF THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND LIMITED OFFERING MEMORANDUM RELATING TO THE SERIES 2020 BONDS; APPROVING THE FORM OF THE CONTINUING DISCLOSURE AGREEMENT RELATING TO SAID SERIES 2020 BONDS; AUTHORIZING THE VICE CHAIRMAN AND ASSISTANT SECRETARIES TO ACT IN THE STEAD OF THE CHAIRMAN OR THE SECRETARY AS THE CASE MAY BE; AUTHORIZING CERTAIN OFFICIALS OF THE DISTRICT TO TAKE ALL ACTIONS REQUIRED AND TO EXECUTE AND DELIVER ALL DOCUMENTS, INSTRUMENTS, AND CERTIFICATES NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE, AND DELIVERY OF SAID SERIES 2020 BONDS; AUTHORIZING CERTAIN OFFICIALS OF THE DISTRICT TO TAKE ALL ACTIONS AND ENTER INTO ALL AGREEMENTS REQUIRED IN CONNECTION WITH THE ACQUISITION AND CONSTRUCTION OF THE SERIES 2020 PROJECT; SPECIFYING THE APPLICATION OF THE PROCEEDS OF SAID SERIES 2020 BONDS; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT TO SAID SERIES 2020 BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of Supervisors of Osceola Chain of Lakes Community Development District (the "Board" and the "District" respectively) has determined to proceed at this time with the sale and issuance of Osceola Chain of Lakes Community Development District Capital Improvement Revenue Bonds, Series 2020 (the "Series 2020 Bonds") to be issued under and pursuant to a Master Trust Indenture, dated as of March 1, 2018 (the "Master Indenture"), from the District to U.S. Bank National Association, Orlando, Florida, as trustee (the "Trustee"), as supplemented by a Second Supplemental Trust Indenture, to be dated as of the first day of the first month and year in which the Series 2020 Bonds are issued thereunder (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture") from the District to the Trustee, in order to finance the Costs of the Series 2020 Project;

WHEREAS, the Board has determined that given the nature of the market, the necessity for moving rapidly and the nature of the security for the Series 2020 Bonds, it is necessary and desirable for the Series 2020 Bonds to be sold by negotiated sale rather than competitive bid;

WHEREAS, the Board has received a proposal from MBS Capital Markets, LLC (the "Underwriter") for the purchase of the Series 2020 Bonds within parameters to be established by the Board and the Board has determined that authorization of the Chairman or other designated

person to enter into a Bond Purchase Agreement (the “Purchase Agreement”) in substantially the form attached hereto as Exhibit A for the sale of the Series 2020 Bonds to the Underwriter within the Parameters (as defined herein) herein set forth is in the best interests of the District for the reasons hereafter indicated; and

WHEREAS, in conjunction with the sale and issuance of the Series 2020 Bonds, it is necessary to approve the form of Supplemental Indenture, to establish the parameters for the delegated award of the Series 2020 Bonds as set forth in Schedule I attached hereto (the “Parameters”), to authorize the Chairman to approve the use of the Preliminary Limited Offering Memorandum relating to the Series 2020 Bonds and the form of the final Limited Offering Memorandum, to approve the form of the Series 2020 Bonds and to provide for various other matters with respect to the Series 2020 Bonds and the undertaking of the Series 2020 Project;

NOW, THEREFORE, BE IT RESOLVED that:

1. Definitions. All words and phrases used herein in capitalized form, unless otherwise defined herein, shall have the meaning ascribed to them in the Indenture.

2. Award. The Purchase Agreement in the form attached hereto as Exhibit A is hereby approved in substantial form and the sale of the Series 2020 Bonds to the Underwriter upon the terms and conditions therein set forth, but within the Parameters, is hereby approved. The Chairman is hereby authorized and directed to execute and deliver the Purchase Agreement on behalf of the District, with such changes, additions, deletions and insertions as shall be approved by the Chairman, which approval shall be conclusively evidenced by the execution and delivery thereof. The Purchase Agreement, when executed and delivered by the District and the Underwriter, shall be the legal, valid, and binding obligation of the District, enforceable in accordance with its terms.

3. Negotiated Sale. The Board hereby determines that a negotiated sale of the Series 2020 Bonds to the Underwriter is in the best interests of the District because the market for instruments such as the Series 2020 Bonds is limited, because of prevailing market conditions, and because the delays caused by soliciting competitive bids could adversely affect the District’s ability to issue and deliver the Series 2020 Bonds.

4. Ratification of Master Indenture; Approval of Form of Supplemental Indenture; Appointment of Trustee, Paying Agent, and Bond Registrar. Attached hereto as Exhibit B is the form of Supplemental Indenture, which is hereby authorized and approved, subject to such changes, additions, deletions, and insertions as shall be approved by the Chairman, which approval shall be conclusively evidenced by the execution thereof. The Chairman is hereby authorized to execute and the Secretary is authorized to attest the Supplemental Indenture and the Chairman is hereby authorized to deliver to the Trustee the Supplemental Indenture which, when executed and delivered by the Trustee, shall constitute the legal, valid, and binding obligation of the District, enforceable in accordance with its terms. The Master Indenture as executed and delivered and the appointment of U.S. Bank National Association, as Trustee, Paying Agent, and Bond Registrar under the Master Indenture is hereby ratified and confirmed, and U.S. Bank National Association is hereby appointed as Trustee, Paying Agent, and Bond Registrar under the Supplemental Indenture.

5. Description of Series 2020 Bonds. The Series 2020 Bonds shall be dated as of their date of delivery and may be issued in one or more Series having such details as shall be set forth in the Purchase Agreement and as reflected in the Supplemental Indenture, but within the Parameters. The Series 2020 Bonds may be signed by the manual or facsimile signature of the Chairman and attested by the manual or facsimile signature of the Secretary. The Series 2020 Bonds shall, subject to the Parameters, be in the forms and subject to redemption on the terms, at the times and prices and in the manner provided in the Purchase Agreement and in the form of Series 2020 Bonds attached to the Supplemental Indenture, which form is hereby approved, subject to such changes, additions, deletions, and insertions as shall be approved by the Chairman, which approval shall be conclusively evidenced by the execution thereof. The Chairman is hereby authorized to execute and the Secretary is authorized to attest and seal the Series 2020 Bonds and the Chairman is hereby authorized to deliver to the Trustee for authentication and delivery to the Underwriter upon payment by the Underwriter of the purchase price therefor, the Series 2020 Bonds which, when executed and delivered by the Trustee, shall be the legal, valid, and binding obligations of the District, enforceable in accordance with their terms.

6. Preliminary Limited Offering Memorandum and Limited Offering Memorandum; Continuing Disclosure Agreement. The Chairman is hereby authorized to approve the form and content of the Preliminary Limited Offering Memorandum, which is attached hereto as Exhibit C (the “Preliminary Limited Offering Memorandum”) with such changes, additions, deletions, and insertions as shall be approved by the Chairman prior to its distribution and the final form of which is to be dated the date of execution and delivery of the Purchase Agreement (the “Limited Offering Memorandum”) relating to the Series 2020 Bonds. The Chairman is hereby authorized to execute on behalf of the District such Limited Offering Memorandum with such changes, additions, deletions and insertions thereto as the Chairman may approve (such approval to be conclusively evidenced by the execution of said Limited Offering Memorandum, if required), and to deliver such Limited Offering Memorandum to the Underwriter in sufficient quantities for use by the Underwriter in marketing the Series 2020 Bonds. The Chairman is hereby authorized to deem “final” the Preliminary Limited Offering Memorandum, as of its date, for the purposes and within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (except for information concerning the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, or other terms dependent upon such matters, and except for such technical and conforming changes which shall be approved by an Authorized Officer which approval shall be evidenced by the execution thereof).

The Continuing Disclosure Agreement relating to the Series 2020 Bonds in the form attached hereto as Exhibit D is hereby approved, subject to such changes, additions, deletions, and insertions as shall be approved by the Chairman, which approval shall be conclusively evidenced by the execution thereof. The Chairman is hereby authorized to execute and the Secretary is authorized to attest the Continuing Disclosure Agreement, which, when executed and delivered by the District shall be the legal, valid, and binding obligation of the District, enforceable in accordance with its terms.

7. Open Meetings. It is hereby found and determined that all official acts of this Board concerning and relating to the issuance, sale, and delivery of the Series 2020 Bonds, including but not limited to adoption of this Resolution, were taken in open meetings of the members of the Board, and all deliberations of the members of the Board that resulted in such

official acts were in meetings open to the public, in compliance with all legal requirements including, but not limited to, the requirements of Section 286.011, Florida Statutes.

8. Other Actions. The Chairman, the Secretary, and all other members, officers, and employees of the Board and the District are hereby authorized and directed to take all actions necessary or desirable in connection with the issuance and delivery of the Series 2020 Bonds and the consummation of all transactions in connection therewith, including the execution of all certificates, documents, papers, and agreements necessary to the undertaking and fulfillment of all transactions referred to in or contemplated by the Limited Offering Memorandum, the Indenture, this Resolution, the Continuing Disclosure Agreement, and the Purchase Agreement, in all cases within the Parameters.

The Vice Chairman is hereby authorized to act in the stead of the Chairman in any undertaking authorized or required of the Chairman hereunder, and any Assistant Secretary is hereby authorized to act in the stead of the Secretary in any undertaking authorized or required of the Secretary hereunder.

9. Deposits to Funds and Accounts. The Trustee is hereby authorized and directed to apply the proceeds of the Series 2020 Bonds in the amounts and in the manner set forth in Section 402 of the Supplemental Indenture.

10. Undertaking of the Series 2020 Project; Execution and Delivery of Other Instruments. The Board hereby authorizes the undertaking of the Series 2020 Project (as defined in the Supplemental Indenture) and authorizes and directs the District staff and Consulting Engineer to proceed with due diligence to the completion thereof in accordance with the Indenture and as described in the Limited Offering Memorandum. The Board hereby authorizes the Chairman and the Secretary to execute and deliver, receive, or enter into such agreements, contracts, documents, instruments, certificates, and proceedings incident thereto or necessary in order to effect the undertaking of the Series 2020 Project and the issuance, sale, and delivery of the Series 2020 Bonds, including but not limited to the execution and delivery of the DTC Letter of Representation.

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

12. Effective Date. This Resolution shall take effect immediately upon its adoption.

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PASSED in Public Session of the Board of Supervisors of Osceola Chain of Lakes Community Development District, this 8th day of January, 2020.

**OSCEOLA CHAIN OF LAKES
COMMUNITY DEVELOPMENT
DISTRICT**

Attest:

Secretary/Assistant Secretary

Chairman/Vice Chairman,
Board of Supervisors

**SCHEDULE I
PARAMETERS**

Maximum Principal Amount: Not to Exceed \$6,500,000

Maximum Coupon Rate: Maximum Statutory Rate

Underwriting Discount: Maximum 2.0%

Not to Exceed Maturity Date: May 1, 2050

Redemption Provisions: The Series 2020 Bonds shall be subject to redemption as set forth in the form of Series 2020 Bond attached to the form of Supplemental Indenture attached hereto and shall be subject to optional redemption no later than May 1, 2033 at par.

Section 7

District Manager Report

Subsection 7a

Financials

Osceola Chain of Lakes CDD
Balance Sheet
All Governmental Funds
Fiscal Year 2020
October 31, 2019

	General Funds	Debt Service Funds	Capital Projects Funds	Total
ASSETS				
Cash -- Checking Account	\$ 19,198.42			\$ 19,198.42
Accounts Receivable -- Due from Developer	\$ 13,403.11			\$ 13,403.11
Assessments Receivable		\$ 5,169.59		\$ 5,169.59
Other Current Assets	\$ -	\$ -	\$ -	\$ -
Investments:				
Revenue Fund #5000		\$ 55,604.42		\$ 55,604.42
Interest Fund #5001		\$ -		\$ -
Sinking Fund #5002		\$ -		\$ -
Prepayment Fund #5003		\$ -		\$ -
Debt Service Reserve Fund #5004		\$ 73,553.13		\$ 73,553.13
Capitalized Interest Fund #5005		\$ 708.08		\$ 708.08
Acquisition and Construction Fund #5006	\$ -	\$ -	\$ 1,411.05	\$ 1,411.05
Fixed Assets:				
District Acquisitions	\$ -	\$ -	\$ 1,821,109.35	\$ 1,821,109.35
Total Assets	\$ 32,601.53	\$ 135,035.22	\$ 1,822,520.40	\$ 1,990,157.15
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 26,798.32	\$ -	\$ -	\$ 26,798.32
Payroll Liabilities Payable	\$ 153.00	\$ -	\$ -	\$ 153.00
Long-Term Liabilities				
Bonds Payable		\$ 117,786.90	\$ 2,052,213.10	\$ 2,170,000.00
Discount on Bonds Payable (<i>contra liability</i>)	\$ -	\$ (640.30)	\$ (8,934.34)	\$ (9,574.64)
Total Liabilities	\$ 26,951.32	\$ 117,146.60	\$ 2,043,278.76	\$ 2,187,376.68
Excess Liabilities over Assets	\$ 5,650.21	\$ 17,888.62	\$ (220,758.36)	\$ (197,219.53)

Notes for the general fund balance sheet:

Accounts Receivable consists of the following:

Due from Developer, Auditor's adjusting journal entry #3	\$ 2,578.00
Due from Developer, Funding Request #18	\$ 10,825.11
Total Accounts Payable:	\$ 13,403.11

Accounts Payable consists of the following:

Dewberry (fees for June and August)	\$ 1,934.19
Down to Earth (pond bank mowing for September and October)	\$ 5,300.00
Grau & Associates (duplicate payment made for final billing)	\$ (2,100.00)
Hopping Green & Sams (fees March, July, and August)	\$ 4,501.01
Moyer Management Group (FY19 fees for Q4 + dissemination agent, FY20 Oct fees + website)	\$ 17,217.79
Osceola News Gazette (credit on account)	\$ (54.67)
Total Accounts Payable:	\$ 26,798.32

Osceola Chain of Lakes CDD
Statement of Revenues, Expenditures, and Changes in Fund Balance

GENERAL FUND

Fiscal Year 2020

October 31, 2019

	Annual Fiscal Year 2020 Budget	Year-To-Date Budget	Year-To-Date Actual	Variance Favorable/ (Unfavorable)
REVENUES				
Special Assessments -- District Collected	\$ 74,958.43	\$ 6,246.54	\$ -	\$ 6,246.54
Special Assessments -- Tax Collector	\$ 76,085.38	\$ 6,340.45	\$ -	\$ 6,340.45
Special Assessments -- Discounts	\$ (3,043.41)	\$ (253.62)	\$ -	\$ (253.62)
Interest Income	\$ -	\$ -	\$ -	\$ -
Developer Contributions	\$ -	\$ -	\$ -	\$ -
Other Financing Sources -- Use of Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 148,000.40	\$ 12,333.37	\$ -	\$ 12,333.37
EXPENDITURES				
<i>Administrative</i>				
Annual Audit	\$ 3,700.00	\$ 308.33	\$ -	\$ 308.33
Capital Outlay	\$ 200.00	\$ 16.67	\$ -	\$ 16.67
Contingency	\$ 1,100.00	\$ 91.67	\$ -	\$ 91.67
Dues, Licenses, and Subscriptions	\$ 175.00	\$ 175.00	\$ 175.00	\$ -
FICA expense	\$ 91.80	\$ 7.65	\$ -	\$ 7.65
Insurance	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -
Legal Advertising	\$ 2,000.00	\$ 166.67	\$ 63.32	\$ 103.35
Office Supplies	\$ 100.00	\$ 8.33	\$ -	\$ 8.33
Other Current Charges	\$ 100.00	\$ 8.33	\$ -	\$ 8.33
Postage	\$ 100.00	\$ 8.33	\$ -	\$ 8.33
Printing and Binding	\$ 100.00	\$ 8.33	\$ -	\$ 8.33
Professional Fees -- Attorney	\$ 20,000.00	\$ 1,666.67	\$ -	\$ 1,666.67
Professional Fees -- Dissemination Agent	\$ 1,000.00	\$ 83.33	\$ -	\$ 83.33
Professional Fees -- Engineer	\$ 7,500.00	\$ 625.00	\$ -	\$ 625.00
Professional Fees -- Manager	\$ 54,245.80	\$ 4,520.48	\$ 4,000.00	\$ 520.48
Professional Fees -- Property Appraiser	\$ 1,521.71	\$ 126.81	\$ -	\$ 126.81
Professional Fees -- Tax Collector	\$ 1,521.71	\$ 126.81	\$ -	\$ 126.81
Professional Fees -- Trustee	\$ 5,000.00	\$ 416.67	\$ -	\$ 416.67
Supervisor Fees	\$ 1,200.00	\$ 100.00	\$ -	\$ 100.00
Telephone	\$ 100.00	\$ 8.33	\$ -	\$ 8.33
Travel and Per Diem	\$ 150.00	\$ 12.50	\$ -	\$ 12.50
Website	\$ 3,294.38	\$ 274.53	\$ 217.79	\$ 56.74
<i>Total Administrative Expenditures</i>	\$ 108,200.40	\$ 13,760.45	\$ 9,456.11	\$ 4,304.34
<i>Field</i>				
Pond Bank Mowing	\$ 31,800.00	\$ 2,650.00	\$ 2,650.00	\$ -
General Field and Landscape	\$ 8,000.00	\$ 666.67	\$ -	\$ 666.67
<i>Total Field Expenditures</i>	\$ 39,800.00	\$ 3,316.67	\$ 2,650.00	\$ 666.67
Total Expenditures	\$ 148,000.40	\$ 17,077.12	\$ 12,106.11	\$ 4,971.01
Excess Revenues (Expenditures)	\$ 0.00	\$ (4,743.75)	\$ (12,106.11)	\$ 7,362.36

Osceola Chain of Lakes CDD

Combined Debt Service Funds

Fiscal Year 2020 through October 31, 2019

	Adopted Budget for Fiscal Year 2020	Actual through October 31	Variance Favorable/ (Unfavorable)
REVENUES			
Interest -- Income	\$ 1,082.62	\$ -	\$ 1,082.62
Interest -- Investments	\$ 1,766.00	\$ 104.03	\$ 1,661.97
Special Assessments -- District Collected	\$ -	\$ -	\$ -
Special Assessments -- Tax Collector	\$ 157,320.00	\$ -	\$ 157,320.00
Special Assessments -- Discounts	\$ (6,292.80)	\$ -	\$ (6,292.80)
Other Miscellaneous Revenues/Contributions	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 153,875.82	\$ 104.03	\$ 153,771.79
EXPENDITURES			
<i>Administrative</i>			
Distributions	\$ -	\$ -	\$ -
Miscellaneous Collection Costs	\$ 6,292.80	\$ -	\$ 6,292.80
<i>Total Administrative</i>	<i>\$ 6,292.80</i>	<i>\$ -</i>	<i>\$ 6,292.80</i>
<i>Debt Service</i>			
Principal Debt Retirement	\$ 35,000.00	\$ -	\$ 35,000.00
Interest Expense (November and May payments)	\$ 112,560.94	\$ -	\$ 112,560.94
Amortization of Bond Discount (Interest Expense)	\$ 22.08	\$ -	\$ 22.08
<i>Total Debt Service</i>	<i>\$ 147,583.02</i>	<i>\$ -</i>	<i>\$ 147,583.02</i>
TOTAL EXPENDITURES	\$ 153,875.82	\$ -	\$ 153,875.82
Excess (Deficiencies) of Revenues Over (Under) Expenditures	\$ 0.00	\$ 104.03	\$ (104.03)
OTHER FINANCING SOURCES			
Interfund Transfer In (Out)	\$ -	\$ -	\$ (1,373.24)
Contribution to (use of) fund balance	\$ -	\$ 55,604.16	\$ -
TOTAL OTHER FINANCING SOURCES	\$ -	\$ 55,604.16	\$ (1,373.24)
Net Change in Fund Balance	\$ 0.00	\$ 55,708.19	
Beginning Fund Balance, October 1, 2019	\$ 74,157.44		
Ending Fund Balance, October 31, 2019	\$ 129,865.63		

Osceola Chain of Lakes CDD

Combined Capital Projects Funds, Series 2018

Fiscal Year 2020 through October 31, 2019

	Fiscal Year 2020 Budget	Actual through October 31	Variance Favorable/ (Unfavorable)
REVENUES			
Interest -- Investments	\$ 26.04	\$ 1.98	\$ 24.06
Contributions	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 26.04	\$ 1.98	\$ 24.06
EXPENDITURES			
Professional Fees -- Attorney	\$ 1,000.00	\$ -	\$ 1,000.00
Professional Fees -- Engineer	\$ -	\$ -	\$ -
Amortization of Bond Discount	\$ 308.08	\$ -	\$ 308.08
Future Requisitions	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 1,308.08	\$ -	\$ 1,308.08
Excess (Deficiencies) of Revenues Over (Under) Expenditures	\$ (1,282.04)	\$ 1.98	\$ (1,284.02)
OTHER FINANCING SOURCES			
Interfund Transfer In (Out)	\$ -	\$ -	\$ -
Contribution to (Use of) Fund Balance	\$ 1,282.04	\$ -	\$ 1,282.04
TOTAL OTHER FINANCING SOURCES	\$ 1,282.04	\$ -	\$ 1,282.04
Net Change in Fund Balance	\$ -	\$ 1.98	
Beginning Fund Balance, October 1, 2019	\$ 1,409.07		
Ending Fund Balance, October 31, 2019	\$ 1,411.05		

Subsection 7b

Check Register

Osceola Chain of Lakes CDD

Check Register

For the period beginning October 1, 2019, through October 31, 2019

Sorted by Check Number

Check #	Date	Payable to	Invoice #	Description	Budget Line Item	Amount
GENERAL FUND						
1057	10/16/19	Department of Economic Opportunity	74773	Annual District fee for FY2020	Dues, Licenses, and Subscriptions	\$ 175.00
1058	10/22/19	Osceola News Gazette	35487	Fiscal Year 2020 meeting schedule	Legal Advertising	\$ 63.32

Section 8

Staff Reports

Subsection 8a

Attorney –
Rules of Procedure

Hopping Green & Sams

Attorneys and Counselors

MEMORANDUM

TO: Osceola Chain of Lakes Community Development District
Board of Supervisors

FROM: Sarah R. Sandy

RE: Updated Provisions of the District's Rules of Procedure

DATE: December 4, 2019

Please find attached to this memorandum an updated version of the Osceola Chain of Lakes Community Development District's (the "District's") Rules of Procedure (the "Rules"). Several substantive revisions were made to maintain consistency between the Rules and the current Florida Statutes, including changes implemented in the most recent legislative session, as well as to facilitate greater efficiency in the operation of the District. An explanation of each material change to the Rules is provided below. Minor formatting changes and edits are not discussed. Should you have any questions regarding the revisions to the Rules, please do not hesitate to contact me via e-mail at SarahS@hgslaw.com or via phone at 850-222-7500.

Costs Associated With Public Records Requests (Pages 8–9)

Language was added to Rule 1.2(4) to reflect statutory language regarding calculation of special charges for responding to certain public records requests, and to state that the District is under no duty to produce requested records if the requestor has not paid the required costs or has outstanding charges. The language will help minimize expenses incurred by the District in responding to public records requests.

Financial Disclosure Coordination (Page 9)

Rule 1.2(7) was added to maintain consistency with legislation that was passed during the 2019 legislative session. The rule designates the Secretary as the District's Financial Disclosure Coordinator (the "Coordinator") (unless the District designates otherwise by resolution) and requires the Coordinator to create, maintain, and update certain records and provide them to the Florida Commission on Ethics by certain deadlines. Each Supervisor or other Reporting Individual must notify the Coordinator in writing if there are changes to his or her name, e-mail address, or physical address, and must notify the Commission on Ethics of changes to his or her e-mail address.

Agenda and Meeting Materials (Page 11)

Rule 1.3(3) was amended to reflect statutory requirements that the agenda and meeting materials available in an electronic format, excluding confidential and exempt information, shall be

made available to the public at least seven days before a meeting, hearing, or workshop. The amended rule also clarifies circumstances in which the agenda may be amended or additional materials added after initial posting. It additionally specifies which documents constitute “meeting materials.” Documents that do not meet the definition of “meeting materials” may still be provided to the Board, but will be considered supplementary materials and are not required to be made available to the public before the meeting. Supplementary materials may include, but are not necessarily limited to, the following: financial statements, informational reports, and copies of receipts and invoices.

Flexibility for Board Authorization (Page 13)

Language was added to Rule 1.3(11) to allow the Board to waive formal approval or disapproval procedures. This will allow the Board flexibility to use different procedures when necessary and will protect the validity of the Board’s actions where there is a technical irregularity but the Board has otherwise made its decision clear.

Security and Firesafety Board Discussions (Page 14)

Rule 1.3(14) was added to reflect the fact that portions of a meeting which would reveal a security or firesafety system plan or portion thereof made confidential and exempt by Florida law are exempt from Florida’s statutory public meeting requirements. Including this rule will clarify the procedures the Board should use to ensure that confidential and exempt information is not made public.

Internal Controls to Prevent Fraud, Waste and Abuse (Page 15)

Rule 1.4 was added to reflect legislative changes enacted in the 2019 legislative session requiring special districts to establish and maintain internal controls to prevent fraud, waste, and abuse. Our office plans to work with the District Manager and auditor to develop the internal controls, which the Board will adopt in the same manner as it does policies.

Notice of Competitive Solicitation (Pages 27 and 36)

Rules 3.1(3) and 3.3(2)(c) have been amended to state that when a consultant has asked to be provided with notice of the District’s competitive solicitations, the District Manager’s failure to provide them with a copy of the notice will not give them bid protest rights or otherwise disqualify the District’s otherwise valid procurement. This will reduce the District’s exposure to potential bid protests and decrease the likelihood of a procurement being considered invalid due to a technical irregularity.

Procedure Regarding Auditor Selection (Page 31)

Language has been added to the introductory paragraph to Rule 3.2 to clarify that the District need not use the procedures set out by the Rule for audits required under Chapter 190 of the Florida Statutes but which do not meet the thresholds of Chapter 218 of the Florida Statutes.

Additionally, the requirements for composition of the Auditor Selection Committee in Rule 3.2(2) have been amended to reflect legislation passed during the 2019 legislative session. Now, at

least one individual on the Committee must be a member of the Board; the Chairperson of the Committee must be a member of the Board; and an employee, chief executive officer, or chief financial officer of the District may not be a member of the Committee but may serve in an advisory capacity.

Contract Periods (Pages 34, 56, and 59)

Rules 3.2(8)(d), 3.8(5), and 3.9(4) have been amended to set the maximum contract period for auditing services, the maximum renewal period for contracts for the purchase of goods, supplies, materials, and the maximum renewal period for contracts for maintenance services at five (5) years. This will provide greater specificity to guide contract terms.

Suspension, Revocation, or Denial of Qualification (Pages 40–42)

Rule 3.4(3) has been added to specify the procedures to be used if the District wishes to suspend, revoke, or deny a pre-qualified vendor's pre-qualified status. It specifies what constitutes good cause for such suspension, revocation, or denial; the effect of the suspension, revocation, or denial; hearing procedures the District must follow; and factors influencing the time period of the suspension, revocation, or denial.

Protest Bonds (Pages 61–62)

Rule 3.11(1)(c) has been amended to require that both the requirement for and the amount of the protest bond be disclosed in the competitive solicitation documents, and to allow the amount of the bond to be any amount within the limits imposed by Florida law.

Minor Changes

The following minor changes have also been made to the Rules:

Rule 1.1(1): This Rule has been amended to clarify requirements for Board members appointed or elected to elector seats. (Page 2).

Rule 1.1(2)(c) and (d): These Rules have been amended to include the words “at least” before the required amounts of the Secretary’s or Treasurer’s fidelity bonds or employee theft insurance policies to accommodate the possibility of greater amounts. (Page 4).

Rule 1.1(6): This Rule has been amended to include the Florida Constitution as a governing authority on voting conflicts of interest. This change reflects the recently passed Amendment 12 to the Florida Constitution. (Pages 5–6).

Rules 1.3(1)(e), (1)(d), (1)(f); and 3.2(9): These Rules were amended to allow inclusion of language substantially similar to that recited in the Rules. (Pages 10–11 and 34).

Rule 1.3(6): This Rule was amended to require the chair or vice chair to consult with the District Manager and District Counsel, if they are available, before calling an emergency meeting. (Page 12).

Rule 2.0(12)(d): This Rule has been amended to allow 90 days instead of 60 days for the Board to announce a decision on a petition for variance or waiver of its Rules. (Page 21).

Rule 3.0(3)(b): The dollar thresholds in this Rule have been increased to \$2,000,000 for a study activity when the fee for such Professional Services to the District does not exceed the increased amount of \$200,000, to reflect the current statutory thresholds. (Page 22).

Rules 3.1(4)(b), 3.6(2)(c)(ii)6., and 3.8(2)(k): The word “responsive” has been added to allow the Board to proceed with evaluating and selecting a proposal from the submissions if it receives fewer than three responsive proposals. (Pages 28, 49 and 55).

Rule 3.2(3)(b): “Understanding of scope of work” has been removed from the list of required factors used to evaluate auditing proposals. The District may still include this as an evaluation criterion if it wishes, but it is not required to do so. (Page 32).

Rule 3.2(7)(b): Language has been added to specify that if the Board does not select the highest-ranked qualified auditing firm, it must document in its records its reason for not doing so. (Page 33).

Rules 3.5(2)(e) and 3.6(2)(c)(ii)3.: “Reemployment assistance” has been added to the non-exclusive list of subjects of federal labor or employment laws of which violation may render a contractor ineligible to submit a bid, response, or proposal for a District project. (Pages 44 and 48).

Rule 3.11(6): Language was added specifying that the District may reject all qualifications, proposals, replies, or responses and start the competitive solicitation process anew if all of the bids, proposals, replies, and responses are too high. (Page 63).

AMENDED AND RESTATED
RULES OF PROCEDURE

COMMUNITY DEVELOPMENT DISTRICT

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Rule 1.0 General.

- |
- (1) The _____ Community Development District (the “District”) was created pursuant to the provisions of Chapter 190 of the Florida Statutes, and was established to provide for the ownership, operation, maintenance, and provision of various capital facilities and services within its jurisdiction. The purpose of these rules (the “Rules”) is to describe the general operations of the District.
 - (2) Definitions located within any section of these Rules shall be applicable within all other sections, unless specifically stated to the contrary.
 - (3) Unless specifically permitted by a written agreement with the District, the District does not accept documents filed by electronic mail or facsimile transmission. Filings are only accepted during normal business hours.
 - (4) A Rule of the District shall be effective upon adoption by affirmative vote of the District Board. After a Rule becomes effective, it may be repealed or amended only through the rulemaking procedures specified in these Rules. Notwithstanding, the District may immediately suspend the application of a Rule if the District determines that the Rule conflicts with Florida law. In the event that a Rule conflicts with Florida law and its application has not been suspended by the District, such Rule should be interpreted in the manner that best effectuates the intent of the Rule while also complying with Florida law. If the intent of the Rule absolutely cannot be effectuated while complying with Florida law, the Rule shall be automatically suspended.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 190.011(5), 190.011(15), Fla. Stat.

Rule 1.1 Board of Supervisors; Officers and Voting.

- (1) Board of Supervisors. The Board of Supervisors of the District (the “Board”) shall consist of five (5) members. Members of the Board (“Supervisors”) appointed by ordinance or rule or elected by landowners must be citizens of the United States of America and residents of the State of Florida. Supervisors elected or appointed by ~~resident electors~~ the Board to elector seats must be citizens of the United States of America, residents of the State of Florida and of the District, and registered to vote with the Supervisor of Elections of the county in which the District is located, ~~and~~ and for those elected, shall also be qualified to run by the Supervisor of Elections. The Board shall exercise the powers granted to the District under Florida law.
 - (a) Supervisors shall hold office for the term specified by Section 190.006 of the Florida Statutes. If, during the term of office, any Board member(s) vacates their office, the remaining member(s) of the Board shall fill the vacancies by appointment for the remainder of the term(s). If three or more vacancies exist at the same time, a quorum, as defined herein, shall not be required to appoint replacement Board members.
 - (b) Three (3) members of the Board shall constitute a quorum for the purposes of conducting business, exercising powers and all other purposes. A Board member shall be counted toward the quorum if physically present at the meeting, regardless of whether such Board member is prohibited from, or abstains from, participating in discussion or voting on a particular item.
 - (c) Action taken by the Board shall be upon a majority vote of the members present, unless otherwise provided in the Rules or required by law. Subject to Rule 1.3(10), a Board member participating in the Board meeting by teleconference or videoconference ~~shall be entitled to vote and take all other action as though physically present.~~
 - (d) Unless otherwise provided for by an act of the Board, any one Board member may attend a mediation session on behalf of the Board. Any agreement resulting from such mediation session must be approved pursuant to subsection (1)(c) of this Rule.
- (2) Officers. At the first Board meeting held after each election where the newly elected members take office, the Board shall select a Chairperson, Vice-Chairperson, Secretary, Assistant Secretary, and Treasurer.
 - (a) The Chairperson must be a member of the Board. If the Chairperson resigns from that office or ceases to be a member of the Board, the Board shall select a Chairperson. The Chairperson serves at the pleasure of the Board. The Chairperson shall be authorized to execute resolutions and contracts on the District’s behalf. The Chairperson shall convene and

conduct all meetings of the Board. In the event the Chairperson is unable to attend a meeting, the Vice-Chairperson shall convene and conduct the meeting. The Chairperson or Vice-Chairperson may delegate the responsibility of conducting the meeting to the District's manager ("District Manager") or District Counsel, in whole or in part.

- (b) The Vice-Chairperson shall be a member of the Board and shall have such duties and responsibilities as specifically designated by the Board from time to time. The Vice-Chairperson has the authority to execute resolutions and contracts on the District's behalf in the absence of the Chairperson. If the Vice-Chairperson resigns from office or ceases to be a member of the Board, the Board shall select a Vice-Chairperson. The Vice-Chairperson serves at the pleasure of the Board.
- (c) The Secretary of the Board serves at the pleasure of the Board and need not be a member of the Board. The Secretary shall be responsible for maintaining the minutes of Board meetings and may have other duties assigned by the Board from time to time. An employee of the District Manager may serve as Secretary. The Secretary shall be bonded by a reputable and qualified bonding company in at least the amount of one million dollars (\$1,000,000), or have in place a fidelity bond, employee theft insurance policy, or a comparable product in at least the amount of one million dollars (\$1,000,000) that names the District as an additional insured.
- (d) The Treasurer need not be a member of the Board but must be a resident of the State of Florida. The Treasurer shall perform duties described in Section 190.007(2) and (3) of the Florida Statutes, as well as those assigned by the Board from time to time. The Treasurer shall serve at the pleasure of the Board. The Treasurer shall either be bonded by a reputable and qualified bonding company in at least the amount of one million dollars (\$1,000,000), or have in place a fidelity bond, employee theft insurance policy, or a comparable product in at least the amount of one million dollars (\$1,000,000) that names the District as an additional insured.
- (e) In the event that both the Chairperson and Vice-Chairperson are absent from a Board meeting and a quorum is present, the Board may designate one of its members or a member of District staff to convene and conduct the meeting. In such circumstances, any of the Board members present are authorized to execute agreements, resolutions, and other documents approved by the Board at such meeting. In the event that the Chairperson and Vice-Chairperson are both unavailable to execute a document previously approved by the Board, the Secretary or any Assistant Secretary may execute such document.

- (f) The Board may assign additional duties to District officers from time to time, which include, but are not limited to, executing documents on behalf of the District.
 - (g) The Chairperson, Vice-Chairperson, and any other person authorized by District Resolution may sign checks and warrants for the District, countersigned by the Treasurer or other persons authorized by the Board.
- (3) Committees. The Board may establish committees of the Board, either on a permanent or temporary basis, to perform specifically designated functions. Committees may include individuals who are not members of the Board. Such functions may include, but are not limited to, review of bids, proposals, and qualifications, contract negotiations, personnel matters, and budget preparation.
- (4) Record Book. The Board shall keep a permanent record book entitled "Record of Proceedings," in which shall be recorded minutes of all meetings, resolutions, proceedings, certificates, and corporate acts. The Records of Proceedings shall be located at a District office and shall be available for inspection by the public.
- (5) Meetings. For each fiscal year, the Board shall establish a schedule of regular meetings, which shall be published in a newspaper of general circulation in the county in which the District is located and filed with the local general-purpose governments within whose boundaries the District is located. All meetings of the Board and Committees serving an advisory function shall be open to the public in accord with the provisions of Chapter 286 of the Florida Statutes.
- (6) Voting Conflict of Interest. The Board shall comply with Section 112.3143 of the Florida Statutes, so as to ensure the proper disclosure of conflicts of interest on matters coming before the Board for a vote. For the purposes of this section, "voting conflict of interest" shall be governed by the Florida Constitution and Chapters 112 and 190 of the Florida Statutes, as amended from time to time. Generally, a voting conflict exists when a Board member is called upon to vote on an item which would inure to the Board member's special private gain or loss or the Board member knows would inure to the special private gain or loss of a principal by whom the Board member is retained, the parent organization or subsidiary of a corporate principal, a business associate, or a relative including only a father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law.
- (a) When a Board member knows the member has a conflict of interest on a matter coming before the Board, the member should notify the Board's Secretary prior to participating in any discussion with the Board on the matter. The member shall publicly announce the conflict of interest at the meeting. This announcement shall appear in the minutes.

If the Board member was elected at a landowner's election or appointed to fill a vacancy of a seat last filled at a landowner's election, the Board member may vote or abstain from voting on the matter at issue. If the Board member was elected by electors residing within the District, the Board member is prohibited from voting on the matter at issue. In the event that the Board member intends to abstain or is prohibited from voting, such Board member shall not participate in the discussion on the item subject to the vote.

The Board's Secretary shall prepare a Memorandum of Voting Conflict (Form 8B) which shall then be signed by the Board member, filed with the Board's Secretary, and provided for attachment to the minutes of the meeting within fifteen (15) days of the meeting.

- (b) If a Board member inadvertently votes on a matter and later learns he or she has a conflict on the matter, the member shall immediately notify the Board's Secretary. Within fifteen (15) days of the notification, the member shall file the appropriate Memorandum of Voting Conflict, which will be attached to the minutes of the Board meeting during which the vote on the matter occurred. The Memorandum of Voting Conflict shall immediately be provided to other Board members and shall be read publicly at the next meeting held subsequent to the filing of the Memorandum of Voting Conflict. The Board member's vote is unaffected by this filing.
- (c) It is not a conflict of interest for a Board member, the District Manager, or an employee of the District to be a stockholder, officer or employee of a landowner or of an entity affiliated with a landowner.
- (d) In the event that a Board member elected at a landowner's election or appointed to fill a vacancy of a seat last filled at a landowner's election, has a continuing conflict of interest, such Board member is permitted to file a Memorandum of Voting Conflict at any time in which it shall state the nature of the continuing conflict. Only one such continuing Memorandum of Voting Conflict shall be required to be filed for each term the Board member is in office.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 112.3143, 190.006, 190.007, Fla. Stat.

Rule 1.2 District Offices; Public Information and Inspection of Records; Policies; Service Contract Requirements; Financial Disclosure Coordination.

- (1) District Offices. Unless otherwise designated by the Board, the official District office shall be the District Manager's office identified by the District Manager. If the District Manager's office is not located within the county in which the District is located, the Board shall designate a local records office within such county which shall at a minimum contain, but not be limited to, the following documents:
- (a) Agenda packages for prior 24 months and next meeting;
 - (b) Official minutes of meetings, including adopted resolutions of the Board;
 - (c) Names and addresses of current Board members and District Manager, unless such addresses are protected from disclosure by law;
 - (d) Adopted engineer's reports;
 - (e) Adopted assessment methodologies/reports;
 - (f) Adopted disclosure of public financing;
 - (g) Limited Offering Memorandum for each financing undertaken by the District;
 - (h) Proceedings, certificates, bonds given by all employees, and any and all corporate acts;
 - (i) District policies and rules;
 - (j) Fiscal year end audits; and
 - (k) Adopted budget for the current fiscal year.

The District Manager shall ensure that each District records office contains the documents required by Florida law.

- (2) Public Records. District public records include all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received in connection with the transaction of official business of the District. All District public records not otherwise restricted by law may be copied or inspected at the District Manager's office during regular business hours. Certain District records can also be inspected and copied at the District's local records office during regular business hours. All written public records requests shall be directed to the Secretary who by these rules is appointed

as the District's records custodian. Regardless of the form of the request, any Board member or staff member who receives a public records request shall immediately forward or communicate such request to the Secretary for coordination of a prompt response. The Secretary, after consulting with District Counsel as to the applicability of any exceptions under the public records laws, shall be responsible for responding to the public records request. At no time can the District be required to create records or summaries of records, or prepare opinions regarding District policies, in response to a public records request.

- (3) Service Contracts. Any contract for services, regardless of cost, shall include provisions required by law that require the contractor to comply with public records laws. The District Manager shall be responsible for initially enforcing all contract provisions related to a contractor's duty to comply with public records laws.
- (4) Fees; Copies. Copies of public records shall be made available to the requesting person at a charge of \$0.15 per page for one-sided copies and \$0.20 per page for two-sided copies if not more than 8 ½ by 14 inches. For copies of public records in excess of the sizes listed in this section and for outside duplication services, the charge shall be equal to the actual cost of reproduction. Certified copies of public records shall be made available at a charge of one dollar (\$1.00) per page. If the nature or volume of records requested requires extensive use of information technology resources or extensive clerical or supervisory assistance, the District may charge, in addition to the duplication charge, a special service charge that is based on the cost the District incurs to produce the records requested. This charge may include, but is not limited to, the cost of information technology resource, employee labor, and fees charged to the District by consultants employed in fulfilling the request. In cases where the special service charge is based in whole or in part on the costs incurred by the District due to employee labor, consultant fees, or other forms of labor, those portions of the charge shall be calculated based on the lowest labor cost of the individual(s) who is/are qualified to perform the labor, taking into account the nature or volume of the public records to be inspected or copied. The charge may include the labor costs of supervisory and/or clerical staff whose assistance is required to complete the records request, in accordance with Florida law. For purposes of this Rule, the word "extensive" shall mean that it will take more than 15 minutes to locate, review for confidential information, copy and re-file the requested material. In cases where extensive personnel time is determined by the District to be necessary to safeguard original records being inspected, the special service charge provided for in ~~the~~this section shall apply. If the total fees, including but not limited to special service charges, are anticipated to exceed twenty-five dollars (\$25.00), then, prior to commencing work on the request, the District will inform the person making the public records request of the estimated cost, with the understanding that the final cost may vary from that estimate. If the person making the public records request decides to proceed with the request, payment of the estimated cost is required in advance. Should the person fail to pay the estimate, the District is under no duty to produce

the requested records. After the request has been fulfilled, additional payments or credits may be due. The District is under no duty to produce records in response to future records requests if the person making the request owes the District for past unpaid duplication charges, special service charges, or other required payments or credits.

- (5) Records Retention. The Secretary of the District shall be responsible for retaining the District's records in accordance with applicable Florida law.
- (6) Policies. The Board may adopt policies related to the conduct of its business and the provision of services either by resolution or motion.
- (7) Financial Disclosure Coordination. Unless specifically designated by Board resolution otherwise, the Secretary shall serve as the Financial Disclosure Coordinator ("Coordinator") for the District as required by the Florida Commission on Ethics ("Commission"). The Coordinator shall create, maintain and update a list of the names, e-mail addresses, physical addresses, and names of the agency of, and the office or position held by, all Supervisors and other persons required by Florida law to file a statement of financial interest due to his or her affiliation with the District ("Reporting Individual"). The Coordinator shall provide this list to the Commission by February 1 of each year, which list shall be current as of December 31 of the prior year. Each Supervisor and Reporting Individual shall promptly notify the Coordinator in writing if there are any changes to such person's name, e-mail address, or physical address. Each Supervisor and Reporting Individual shall promptly notify the Commission in the manner prescribed by the Commission if there are any changes to such person's e-mail address.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 112.31446(3), 112.3145(8)(a)1., 119.07., 119.0701, 190.006, ~~119.07,~~ Fla. Stat.

Rule 1.3 Public Meetings, Hearings, and Workshops.

- (1) Notice. Except in emergencies, or as otherwise required by statute or these Rules, at least seven (7) days, but no more than thirty (30) days public notice shall be given of any public meeting, hearing or workshop of the Board. Public notice shall be given by publication in a newspaper of general circulation in the District and in the county in which the District is located. "General circulation" means a publication that is printed and published at least once a week for the preceding year, offering at least 25% of its words in the English language, qualifies as a periodicals material for postal purposes in the county in which the District is located, is for sale to the public generally, is available to the public generally for the publication of official or other notices, and is customarily containing information of a public character or of interest or of value to the residents or owners of property in the county where published, or of interest or of value to the general public. The annual meeting notice required to be published by Section 189.015 of the Florida Statutes, shall be published in a newspaper not of limited subject matter, which is published at least five days a week, unless the only newspaper in the county is published less than five days a week. Each Notice shall state, as applicable:
 - (a) The date, time and place of the meeting, hearing or workshop;
 - (b) A brief description of the nature, subjects, and purposes of the meeting, hearing, or workshop;
 - (c) The District office address for the submission of requests for copies of the agenda, as well as a contact name and telephone number for verbal requests for copies of the agenda; and
 - (d) The following or substantially similar language:- "Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting/hearing/workshop is asked to advise the District Office at least forty-eight (48) hours before the meeting/hearing/workshop by contacting the District Manager at (____) _____. If you are hearing or speech impaired, please contact the Florida Relay Service at 1 (800) 955-8770 or 1 (800) 955-8771, who can aid you in contacting the District Office."
 - (e) The following or substantially similar language: "A person who decides to appeal any decision made at the meeting/hearing/workshop with respect to any matter considered at the meeting/hearing/workshop is advised that person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made including the testimony and evidence upon which the appeal is to be based."

- (f) The following or substantially similar language:- “The meeting [or hearing or workshop] may be continued in progress without additional notice to a time, date, and location stated on the record.”
- (2) Mistake. In the event that a meeting is held under the incorrect assumption that notice required by law and these Rules has been given, the Board at its next properly noticed meeting shall cure such defect by considering the agenda items from the prior meeting individually and anew.
- (3) Agenda. The District Manager, under the guidance of District Counsel and the Chairperson or Vice-Chairperson, shall prepare ~~a notice and~~ an agenda of the meeting/hearing/workshop. The ~~notice and~~ agenda and any meeting materials available in an electronic format, excluding any confidential and any confidential and exempt information, shall be available to the public at least ~~seventy-two (72) hours~~seven days before the meeting/hearing/workshop, except in an emergency. Meeting materials shall be defined as, and limited to, the agenda, meeting minutes, resolutions, and agreements of the District that District staff deems necessary for Board approval. Inclusion of additional materials for Board consideration other than those defined herein as “meeting materials” shall not convert such materials into “meeting materials.” For good cause, the agenda may be changed after it is first made available for distribution, and additional materials may be added or provided under separate cover at the meeting. The requirement of good cause shall be liberally construed to allow the District to efficiently conduct business and to avoid the expenses associated with special meetings.

The District may, but is not required to, use the following format in preparing its agenda for its regular meetings:

- Call to order
- Roll call
- Public comment
- Organizational matters
- Review of minutes
- Specific items of old business
- Specific items of new business
- Staff reports
 - (a) District Counsel
 - (b) District Engineer
 - (c) District Manager
 - 1. Financial Report
 - 2. Approval of Expenditures
- Supervisor’s requests and comments
- Public comment
- Adjournment

- (4) Minutes. The Secretary shall be responsible for preparing and keeping the minutes of each meeting of the Board. Minutes shall be corrected and approved by the Board at a subsequent meeting. The Secretary may work with other staff members in preparing draft minutes for the Board's consideration.
- (5) Special Requests. Persons wishing to receive, by mail, notices or agendas of meetings, may so advise the District Manager or Secretary at the District Office. Such persons shall furnish a mailing address in writing and shall be required to pre-pay the cost of the copying and postage.
- (6) Emergency Meetings. The Chairperson, or Vice-Chairperson if the Chairperson is unavailable, upon consultation with the District Manager and District Counsel, if available, may convene an emergency meeting of the Board without first having complied with sections (1) and (3) of this Rule, to act on emergency matters that may affect the public health, safety, or welfare. Whenever possible, the District Manager shall make reasonable efforts to provide public notice and notify all Board members of an emergency meeting twenty-four (24) hours in advance. Reasonable efforts may include telephone notification. Notice of the emergency meeting must be provided both before and after the meeting on the District's website, if it has one. Whenever an emergency meeting is called, the District Manager shall be responsible for notifying at least one newspaper of general circulation in the District. After an emergency meeting, the Board shall publish in a newspaper of general circulation in the District, the time, date and place of the emergency meeting, the reasons why an emergency meeting was necessary, and a description of the action taken. Actions taken at an emergency meeting may be ratified by the Board at a regularly noticed meeting subsequently held.
- (7) Public Comment. The Board shall set aside a reasonable amount of time at each meeting for public comment and members of the public shall be permitted to provide comment on any proposition before the Board. The portion of the meeting generally reserved for public comment shall be identified in the agenda. Policies governing public comment may be adopted by the Board in accordance with Florida law.
- (8) Budget Hearing. Notice of hearing on the annual budget(s) shall be in accord with Section 190.008 of the Florida Statutes. Once adopted in accord with Section 190.008 of the Florida Statutes, the annual budget(s) may be amended from time to time by action of the Board. Approval of invoices by the Board in excess of the funds allocated to a particular budgeted line item shall serve to amend the budgeted line item.
- (9) Public Hearings. Notice of required public hearings shall contain the information required by applicable Florida law and by these Rules applicable to meeting notices and shall be mailed and published as required by Florida law. The District Manager shall ensure that all such notices, whether mailed or published, contain the information required by Florida law and these Rules and are mailed and

published as required by Florida law. Public hearings may be held during Board meetings when the agenda includes such public hearing.

- (10) Participation by Teleconference/Videoconference. District staff may participate in Board meetings by teleconference or videoconference. Board members may also participate in Board meetings by teleconference or videoconference if in the good judgment of the Board extraordinary circumstances exist; provided however, at least three Board members must be physically present at the meeting location to establish a quorum. Such extraordinary circumstances shall be presumed when a Board member participates by teleconference or videoconference, unless a majority of the Board members physically present determines that extraordinary circumstances do not exist.
- (11) Board Authorization. The District has not adopted Robert's Rules of Order. For each agenda item, there shall be discussion permitted among the Board members during the meeting. Unless such procedure is waived by the Board, Approval or disapproval of resolutions and other proposed Board actions shall be in the form of a motion by one Board member, a second by another Board member, and an affirmative vote by the majority of the Board members present. Any Board member, including the Chairperson, can make or second a motion.
- (12) Continuances. Any meeting or public hearing of the Board may be continued without re-notice or re-advertising provided that:
 - (a) The Board identifies on the record at the original meeting a reasonable need for a continuance;
 - (b) The continuance is to a specified date, time, and location publicly announced at the original meeting; and
 - (c) The public notice for the original meeting states that the meeting may be continued to a date and time and states that the date, time, and location of any continuance shall be publicly announced at the original meeting and posted at the District Office immediately following the original meeting.
- (13) Attorney-Client Sessions. An Attorney-Client Session is permitted when the District's attorneys deem it necessary to meet in private with the Board to discuss pending litigation to which the District is a party before a court or administrative agency or as may be authorized by law. The District's attorneysattorney must request such session at a public meeting. – Prior to holding the Attorney-Client Session, the District must give reasonable public notice of the time and date of the session and the names of the persons anticipated to attend the session. –The session must commence at an open meeting in which the Chairperson or Vice-Chairperson announces the commencement of the session, the estimated length of the session, and the names of the persons who will be attending the session. The discussion during the session is confined to settlement negotiations or strategy

related to litigation expenses or as may be authorized by law. Only the Board, the District's attorneys (including outside counsel), the District Manager, and the court reporter may attend an Attorney-Client Session. During the session, no votes may be taken and no final decisions concerning settlement can be made. Upon the conclusion of the session, the public meeting is reopened, and the Chairperson or Vice-Chairperson must announce that the session has concluded. The session must be transcribed by a court-reporter and the transcript of the session filed with the District Secretary within a reasonable time after the session. The transcript shall not be available for public inspection until after the conclusion of the litigation.

(14) Security and Firesafety Board Discussions. Portions of a meeting which relate to or would reveal a security or firesafety system plan or portion thereof made confidential and exempt by section 119.071(3)(a), Florida Statutes, are exempt from the public meeting requirements and other requirements of section 286.011, Florida Statutes, and section 24(b), Article 1 of the State Constitution. Should the Board wish to discuss such matters, members of the public shall be required to leave the meeting room during such discussion. Any records of the Board's discussion of such matters, including recordings or minutes, shall be maintained as confidential and exempt records in accordance with Florida law.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 189.069(2)(a)16, 190.006, 190.007, 190.008, 286.0105, 286.011, 286.0113, 286.0114, Fla. Stat.

Rule 1.4 Internal Controls to Prevent Fraud, Waste and Abuse

- (1) Internal Controls. The District shall establish and maintain internal controls designed to:

 - (a) Prevent and detect “fraud,” “waste” and “abuse” as those terms are defined in section 11.45(1), Florida Statutes; and
 - (b) Promote and encourage compliance with applicable laws, rules contracts, grant agreements, and best practices; and
 - (c) Support economical and efficient operations; and
 - (d) Ensure reliability of financial records and reports; and
 - (e) Safeguard assets.
- (2) Adoption. The internal controls to prevent fraud, waste and abuse shall be adopted and amended by the District in the same manner as District policies.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: § 218.33(3), Fla. Stat.

Rule 2.0 Rulemaking Proceedings.

- (1) Commencement of Proceedings. Proceedings held for adoption, amendment, or repeal of a District rule shall be conducted according to these Rules. Rulemaking proceedings shall be deemed to have been initiated upon publication of notice by the District. A “rule” is a District statement of general applicability that implements, interprets, or prescribes law or policy, or describes the procedure or practice requirements of the District (“Rule”). Nothing herein shall be construed as requiring the District to consider or adopt rules unless required by Chapter 190 of the Florida Statutes. Policies adopted by the District which do not consist of rates, fees, rentals or other monetary charges may be, but are not required to be, implemented through rulemaking proceedings.
- (2) Notice of Rule Development.
 - (a) Except when the intended action is the repeal of a Rule, the District shall provide notice of the development of a proposed rule by publication of a Notice of Rule Development in a newspaper of general circulation in the District before providing notice of a proposed rule as required by section (3) of this Rule. Consequently, the Notice of Rule Development shall be published at least twenty-nine (29) days prior to the public hearing on the proposed Rule. The Notice of Rule Development shall indicate the subject area to be addressed by rule development, provide a short, plain explanation of the purpose and effect of the proposed rule, cite the specific legal authority for the proposed rule, and include a statement of how a person may promptly obtain, without cost, a copy of any preliminary draft, if available.
 - (b) All rules as drafted shall be consistent with Sections 120.54(1)(g) and 120.54(2)(b) of the Florida Statutes.
- (3) Notice of Proceedings and Proposed Rules.
 - (a) Prior to the adoption, amendment, or repeal of any rule other than an emergency rule, the District shall give notice of its intended action, setting forth a short, plain explanation of the purpose and effect of the proposed action, a reference to the specific rulemaking authority pursuant to which the rule is adopted, and a reference to the section or subsection of the Florida Statutes being implemented, interpreted, or made specific. The notice shall include a summary of the District’s statement of the estimated regulatory costs, if one has been prepared, based on the factors set forth in Section 120.541(2) of the Florida Statutes, and a statement that any person who wishes to provide the District with a lower cost regulatory alternative as provided by Section 120.541(1), must do so in writing within twenty-one (21) days after publication of the notice. The notice shall additionally include a statement that any affected person may request a public hearing

by submitting a written request within twenty-one (21) days after the date of publication of the notice. Except when intended action is the repeal of a rule, the notice shall include a reference to both the date on which and the place where the Notice of Rule Development required by section (2) of this Rule appeared.

- (b) The notice shall be published in a newspaper of general circulation in the District and each county in which the District is located not less than twenty-eight (28) days prior to the intended action. The proposed rule shall be available for inspection and copying by the public at the time of the publication of notice.
 - (c) The notice shall be mailed to all persons named in the proposed rule and to all persons who, at least fourteen (14) days prior to such mailing, have made requests of the District for advance notice of its rulemaking proceedings. Any person may file a written request with the District Manager to receive notice by mail of District proceedings to adopt, amend, or repeal a rule. Such persons must furnish a mailing address and may be required to pay the cost of copying and mailing. ~~Notice will then be mailed to all persons whom, at least fourteen (14) days prior to such mailing, have made requests of the District for advance notice of its proceedings.~~
- (4) Rule Development Workshops. Whenever requested in writing by any affected person, the District must either conduct a rule development workshop prior to proposing rules for adoption or the Chairperson must explain in writing why a workshop is unnecessary. The District may initiate a rule development workshop but is not required to do so.
- (5) Petitions to Initiate Rulemaking. All Petitions to Initiate Rulemaking proceedings must contain the name, address, and telephone number of the petitioner, the specific action requested, the specific reason for adoption, amendment, or repeal, the date submitted, the text of the proposed rule, and the facts showing that the petitioner is regulated by the District, or has a substantial interest in the rulemaking. Not later than sixty (60) calendar days following the date of filing a petition, the Board shall initiate rulemaking proceedings or deny the petition with a written statement of its reasons for the denial. If the petition is directed to an existing policy that the District has not formally adopted as a rule, the District may, in its discretion, notice and hold a public hearing on the petition to consider the comments of the public directed to the policy, its scope and application, and to consider whether the public interest is served adequately by the application of the policy on a case-by-case basis, as contrasted with its formal adoption as a rule. However, this section shall not be construed as requiring the District to adopt a rule to replace a policy.

- (6) Rulemaking Materials. After the publication of the notice referenced in section (3) of this Rule, the Board shall make available for public inspection and shall provide, upon request and payment of the cost of copies, the following materials:
- (a) The text of the proposed rule, or any amendment or repeal of any existing rules;
 - (b) A detailed written statement of the facts and circumstances justifying the proposed rule;
 - (c) A copy of the statement of estimated regulatory costs if required by Section 120.541 of the Florida Statutes; and
 - (d) The published notice.
- (7) Hearing. The District may, or, upon the written request of any affected person received within twenty-one (21) days after the date of publication of the notice described in section (3) of this Rule, shall, provide a public hearing for the presentation of evidence, argument, and oral statements, within the reasonable conditions and limitations imposed by the District to avoid duplication, irrelevant comments, unnecessary delay, or disruption of the proceedings. The District shall publish notice of the public hearing in a newspaper of general circulation within the District either in the text of the notice described in section (3) of this Rule or in a separate publication at least seven (7) days before the scheduled public hearing. The notice shall specify the date, time, and location of the public hearing, and the name, address, and telephone number of the District contact person who can provide information about the public hearing. Written statements may be submitted by any person prior to or at the public hearing. All timely submitted written statements shall be considered by the District and made part of the rulemaking record.
- (8) Emergency Rule Adoption. The Board may adopt an emergency rule if it finds that immediate danger to the public health, safety, or welfare exists which requires immediate action. Prior to the adoption of an emergency rule, the District Manager shall make reasonable efforts to notify a newspaper of general circulation in the District. Notice of emergency rules shall be published as soon as possible in a newspaper of general circulation in the District. The District may use any procedure which is fair under the circumstances in the adoption of an emergency rule as long as it protects the public interest as determined by the District and otherwise complies with these provisions.
- (9) Negotiated Rulemaking. The District may use negotiated rulemaking in developing and adopting rules pursuant to Section 120.54(2)(d) of the Florida Statutes, except that any notices required under Section 120.54(2)(d) of the Florida Statutes, may be published in a newspaper of general circulation in the county in which the District is located.

- (10) Rulemaking Record. In all rulemaking proceedings, the District shall compile and maintain a rulemaking record. The record shall include, if applicable:
- (a) The texts of the proposed rule and the adopted rule;
 - (b) All notices given for a proposed rule;
 - (c) Any statement of estimated regulatory costs for the rule;
 - (d) A written summary of hearings, if any, on the proposed rule;
 - (e) All written comments received by the District and responses to those written comments; and
 - (f) All notices and findings pertaining to an emergency rule.
- (11) Petitions to Challenge Existing Rules.
- (a) Any person substantially affected by a rule may seek an administrative determination of the invalidity of the rule on the ground that the rule is an invalid exercise of the District's authority.
 - (b) The petition seeking an administrative determination must state with particularity the provisions alleged to be invalid with sufficient explanation of the facts or grounds for the alleged invalidity and facts sufficient to show that the person challenging a rule is substantially affected by it.
 - (c) The petition shall be filed with the District. Within 10 days after receiving the petition, the Chairperson shall, if the petition complies with the requirements of subsection (b) of this section, designate any member of the Board (including the Chairperson), District Manager, District Counsel, or other person as a hearing officer who shall conduct a hearing within 30 days thereafter, unless the petition is withdrawn or a continuance is granted by agreement of the parties. The failure of the District to follow the applicable rulemaking procedures or requirements in this Rule shall be presumed to be material; however, the District may rebut this presumption by showing that the substantial interests of the petitioner and the fairness of the proceedings have not been impaired.
 - (d) Within 30 days after the hearing, the hearing officer shall render a decision and state the reasons therefor in writing.
 - (e) Hearings held under this section shall be de novo in nature. The petitioner has a burden of proving by a preponderance of the evidence that the

existing rule is an invalid exercise of District authority as to the objections raised. The hearing officer may:

- (i) Administer oaths and affirmations;
 - (ii) Rule upon offers of proof and receive relevant evidence;
 - (iii) Regulate the course of the hearing, including any pre-hearing matters;
 - (iv) Enter orders; and
 - (v) Make or receive offers of settlement, stipulation, and adjustment.
- (f) The petitioner and the District shall be adverse parties. Other substantially affected persons may join the proceedings as intervenors on appropriate terms which shall not unduly delay the proceedings.
- (12) Variances and Waivers. A “variance” means a decision by the District to grant a modification to all or part of the literal requirements of a rule to a person who is subject to the rule. A “waiver” means a decision by the District not to apply all or part of a rule to a person who is subject to the rule. Variances and waivers from District rules may be granted subject to the following:
- (a) Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person, and when application of the rule would create a substantial hardship or would violate principles of fairness. For purposes of this section, "substantial hardship" means a demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver. For purposes of this section, "principles of fairness" are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule.
 - (b) A person who is subject to regulation by a District Rule may file a petition with the District, requesting a variance or waiver from the District’s Rule. Each petition shall specify:
 - (i) The rule from which a variance or waiver is requested;
 - (ii) The type of action requested;
 - (iii) The specific facts that would justify a waiver or variance for the petitioner; and

- (iv) The reason why the variance or the waiver requested would serve the purposes of the underlying statute.
 - (c) The District shall review the petition and may request only that information needed to clarify the petition or to answer new questions raised by or directly related to the petition. If the petitioner asserts that any request for additional information is not authorized by law or by Rule of the District, the District shall proceed, at the petitioner's written request, to process the petition.
 - (d) The Board shall grant or deny a petition for variance or waiver, and shall announce such disposition at a publicly held meeting of the Board, within ~~sixty (60)~~ninety (90) days after receipt of the original petition, the last item of timely requested additional material, or the petitioner's written request to finish processing the petition. The District's statement granting or denying the petition shall contain a statement of the relevant facts and reasons supporting the District's action.
- (13) Rates, Fees, Rentals and Other Charges. All rates, fees, rentals, or other charges shall be subject to rulemaking proceedings. Policies adopted by the District which do not consist of rates, fees, rentals or other charges may be, but are not required to be, implemented through rulemaking proceedings.

Specific Authority: §§ 190.011(5), 190.011(15), 190.035, Fla. Stat.

Law Implemented: §§ 190.011(5), 190.035(2), Fla. Stat.

Rule 3.0 Competitive Purchase.

- (1) Purpose and Scope. In order to comply with Sections 190.033(1) through (3), 287.055 and 287.017 of the Florida Statutes, the following provisions shall apply to the purchase of Professional Services, insurance, construction contracts, design-build services, goods, supplies, and materials, Contractual Services, and maintenance services.
- (2) Board Authorization. Except in cases of an Emergency Purchase, a competitive purchase governed by these Rules shall only be undertaken after authorization by the Board.
- (3) Definitions.
 - (a) “Competitive Solicitation” means a formal, advertised procurement process, other than an Invitation to Bid, Request for Proposals, or Invitation to Negotiate, approved by the Board to purchase commodities and/or services which affords vendors fair treatment in the competition for award of a District purchase contract.
 - (b) “Continuing Contract” means a contract for Professional Services entered into in accordance with Section 287.055 of the Florida Statutes, between the District and a firm, whereby the firm provides Professional Services to the District for projects in which the costs do not exceed ~~one~~two million dollars (\$~~1~~2,000,000), for a study activity when the fee for such Professional Services to the District does not exceed ~~fifty~~two hundred thousand dollars (\$~~50~~200,000), or for work of a specified nature as outlined in the contract with the District, with no time limitation except that the contract must provide a termination clause (for example, a contract for general District engineering services). Firms providing Professional Services under Continuing Contracts shall not be required to bid against one another.
 - (c) “Contractual Service” means the rendering by a contractor of its time and effort rather than the furnishing of specific commodities. The term applies only to those services rendered by individuals and firms who are independent contractors. Contractual Services do not include auditing services, Maintenance Services, or Professional Services as defined in Section 287.055(2)(a) of the Florida Statutes, and these Rules. Contractual Services also do not include any contract for the furnishing of labor or materials for the construction, renovation, repair, modification, or demolition of any facility, building, portion of building, utility, park, parking lot, or structure or other improvement to real property entered into pursuant to Chapter 255 of the Florida Statutes, and Rules 3.5 or 3.6.

- (d) “Design-Build Contract” means a single contract with a Design-Build Firm for the design and construction of a public construction project.
- (e) “Design-Build Firm” means a partnership, corporation or other legal entity that:
 - (i) Is certified under Section 489.119 of the Florida Statutes, to engage in contracting through a certified or registered general contractor or a certified or registered building contractor as the qualifying agent; or
 - (ii) Is certified under Section 471.023 of the Florida Statutes, to practice or to offer to practice engineering; certified under Section 481.219 of the Florida Statutes, to practice or to offer to practice architecture; or certified under Section 481.319 of the Florida Statutes, to practice or to offer to practice landscape architecture.
- (f) “Design Criteria Package” means concise, performance-oriented drawings or specifications for a public construction project. The purpose of the Design Criteria Package is to furnish sufficient information to permit Design-Build Firms to prepare a bid or a response to the District’s Request for Proposals, or to permit the District to enter into a negotiated Design-Build Contract. The Design Criteria Package must specify performance-based criteria for the public construction project, including the legal description of the site, survey information concerning the site, interior space requirements, material quality standards, schematic layouts and conceptual design criteria of the project, cost or budget estimates, design and construction schedules, site development requirements, provisions for utilities, stormwater retention and disposal, and parking requirements applicable to the project. Design Criteria Packages shall require firms to submit information regarding the qualifications, availability, and past work of the firms, including the partners and members thereof.
- (g) “Design Criteria Professional” means a firm who holds a current certificate of registration under Chapter 481 of the Florida Statutes, to practice architecture or landscape architecture, or a firm who holds a current certificate as a registered engineer under Chapter 471 of the Florida Statutes, to practice engineering, and who is employed by or under contract to the District to provide professional architect services, landscape architect services, or engineering services in connection with the preparation of the Design Criteria Package.
- (h) “Emergency Purchase” means a purchase necessitated by a sudden unexpected turn of events (for example, acts of God, riot, fires, floods, hurricanes, accidents, or any circumstances or cause beyond the control of the Board in the normal conduct of its business), where the Board finds

that the delay incident to competitive purchase would be detrimental to the interests of the District. This includes, but is not limited to, instances where the time to competitively award the project will jeopardize the funding for the project, will materially increase the cost of the project, or will create an undue hardship on the public health, safety, or welfare.

- (i) “Invitation to Bid” is a written solicitation for sealed bids with the title, date, and hour of the public bid opening designated specifically and defining the commodity or service involved. It includes printed instructions prescribing conditions for bidding, qualification, evaluation criteria, and provides for a manual signature of an authorized representative. It may include one or more bid alternates.
- (j) “Invitation to Negotiate” means a written solicitation for competitive sealed replies to select one or more vendors with which to commence negotiations for the procurement of commodities or services.
- (k) “Negotiate” means to conduct legitimate, arm’s length discussions and conferences to reach an agreement on a term or price.
- (l) “Professional Services” means those services within the scope of the practice of architecture, professional engineering, landscape architecture, or registered surveying and mapping, as defined by the laws of Florida, or those services performed by any architect, professional engineer, landscape architect, or registered surveyor and mapper, in connection with the firm's or individual's professional employment or practice.
- (m) “Proposal (or Reply or Response) Most Advantageous to the District” means, as determined in the sole discretion of the Board, the proposal, reply, or response that is:
 - (i) Submitted by a person or firm capable and qualified in all respects to perform fully the contract requirements, who has the integrity and reliability to assure good faith performance;
 - (ii) The most responsive to the Request for Proposals, Invitation to Negotiate, or Competitive Solicitation as determined by the Board; and
 - (iii) For a cost to the District deemed by the Board to be reasonable.
- (n) “Purchase” means acquisition by sale, rent, lease, lease/purchase, or installment sale. It does not include transfer, sale, or exchange of goods, supplies, or materials between the District and any federal, state, regional or local governmental entity or political subdivision of the State of Florida.

- (o) “Request for Proposals” or “RFP” is a written solicitation for sealed proposals with the title, date, and hour of the public opening designated and requiring the manual signature of an authorized representative. It may provide general information, applicable laws and rules, statement of work, functional or general specifications, qualifications, proposal instructions, work detail analysis, and evaluation criteria as necessary.
- (p) “Responsive and Responsible Bidder” means an entity or individual that has submitted a bid that conforms in all material respects to the Invitation to Bid and has the capability in all respects to fully perform the contract requirements and the integrity and reliability that will assure good faith performance. “Responsive and Responsible Vendor” means an entity or individual that has submitted a proposal, reply, or response that conforms in all material respects to the Request for Proposals, Invitation to Negotiate, or Competitive Solicitation and has the capability in all respects to fully perform the contract requirements and the integrity and reliability that will assure good faith performance. In determining whether an entity or individual is a Responsive and Responsible Bidder (or Vendor), the District may consider, in addition to factors described in the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, the following:
 - (i) The ability and adequacy of the professional personnel employed by the entity/individual;
 - (ii) The past performance of the entity/individual for the District and in other professional employment;
 - (iii) The willingness of the entity/individual to meet time and budget requirements;
 - (iv) The geographic location of the entity’s/individual’s headquarters or office in relation to the project;
 - (v) The recent, current, and projected workloads of the entity/individual;
 - (vi) The volume of work previously awarded to the entity/individual;
 - (vii) Whether the cost components of the bid or proposal are appropriately balanced; and
 - (viii) Whether the entity/individual is a certified minority business enterprise.

- (q) “Responsive Bid,” “Responsive Proposal,” “Responsive Reply,” and “Responsive Response” all mean a bid, proposal, reply, or response which conforms in all material respects to the specifications and conditions in the Invitation to Bid, Request for Proposals, Invitations to Negotiate, or Competitive Solicitation document and these Rules, and the cost components of which, if any, are appropriately balanced. A bid, proposal, reply or response is not responsive if the person or firm submitting it fails to meet any material requirement relating to the qualifications, financial stability, or licensing of the bidder.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 190.033, 255.20, 287.055, Fla. Stat.

Rule 3.1 Procedure Under ~~The~~the Consultants' Competitive Negotiations Act.

- (1) Scope. The following procedures are adopted for the selection of firms or individuals to provide Professional Services exceeding the thresholds herein described, for the negotiation of such contracts, and to provide for protest of actions of the Board under this Rule. As used in this Rule, "Project" means that fixed capital outlay study or planning activity when basic construction cost is estimated by the District to exceed the threshold amount provided in Section 287.017 of the Florida Statutes, for CATEGORY FIVE, or for a planning study activity when the fee for Professional Services is estimated by the District to exceed the threshold amount provided in Section 287.017 for CATEGORY TWO, as such categories may be amended or adjusted from time to time.

- (2) Qualifying Procedures. In order to be eligible to provide Professional Services to the District, a consultant must, at the time of receipt of the firm's qualification submittal:

(a) Hold all required applicable ~~federal licenses in good standing, if any;~~

~~(b) Hold all required applicable~~ state professional licenses in good standing;

~~(b) Hold all required applicable federal licenses in good standing, if any;~~

(c) Hold a current and active Florida corporate charter or be authorized to do business in the State of Florida in accordance with Chapter 607 of the Florida Statutes, if the consultant is a corporation; and

(d) Meet any qualification requirements set forth in the District's Request for Qualifications.

Evidence of compliance with this Rule may be submitted with the qualifications, if requested by the District. In addition, evidence of compliance must be submitted any time requested by the District.

- (3) Public Announcement. Except in cases of valid public emergencies as certified by the Board, the District shall announce each occasion when Professional Services are required for a Project or a Continuing Contract by publishing a notice providing a general description of the Project, or the nature of the Continuing Contract, and the method for interested consultants to apply for consideration. The notice shall appear in at least one (1) newspaper of general circulation in the District and in such other places as the District deems appropriate. The notice must allow at least fourteen (14) days for submittal of qualifications from the date of publication. The District may maintain lists of consultants interested in receiving such notices. These consultants are encouraged to submit annually statements of qualifications and performance data. ~~Consultants who provide their name and address to the District Manager for inclusion on the list shall receive~~

~~notices by mail.~~ The District shall make reasonable efforts to provide copies of any notices to such consultants, but the failure to do so shall not give such consultants any bid protest or other rights or otherwise disqualify any otherwise valid procurement process. The Board has the right to reject any and all qualifications, and such reservation shall be included in the published notice. Consultants not receiving a contract award shall not be entitled to recover from the District any costs of qualification package preparation or submittal.

(4) Competitive Selection.

- (a) The Board shall review and evaluate the data submitted in response to the notice described in section (3) of this Rule regarding qualifications and performance ability, as well as any statements of qualifications on file. The Board shall conduct discussions with, and may require public presentation by consultants regarding their qualifications, approach to the Project, and ability to furnish the required services. The Board shall then select and list the consultants, in order of preference, deemed to be the most highly capable and qualified to perform the required Professional Services, after considering these and other appropriate criteria:
 - (i) The ability and adequacy of the professional personnel employed by each consultant;
 - (ii) Whether a consultant is a certified minority business enterprise;
 - (iii) Each consultant's past performance;
 - (iv) The willingness of each consultant to meet time and budget requirements;
 - (v) The geographic location of each consultant's headquarters, office and personnel in relation to the project;
 - (vi) The recent, current, and projected workloads of each consultant; and
 - (vii) The volume of work previously awarded to each consultant by the District.
- (b) Nothing in these Rules shall prevent the District from evaluating and eventually selecting a consultant if less than three (3) Responsive qualification packages, including packages indicating a desire not to provide Professional Services on a given Project, are received.
- (c) If the selection process is administered by any person or committee other than the full Board, the selection made will be presented to the full Board

with a recommendation that competitive negotiations be instituted with the selected firms in order of preference listed.

- (d) Notice of the rankings adopted by the Board, including the rejection of some or all qualification packages, shall be provided in writing to all consultants by United States Mail, hand delivery, facsimile, or overnight delivery service. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's ranking decisions under this Rule shall be in accordance with the procedures set forth in Rule 3.11.

(5) Competitive Negotiation.

- (a) After the Board has authorized the beginning of competitive negotiations, the District may begin such negotiations with the firm listed as most qualified to perform the required Professional Services at a rate or amount of compensation which the Board determines is fair, competitive, and reasonable.
- (b) In negotiating a lump-sum or cost-plus-a-fixed-fee professional contract for more than the threshold amount provided in Section 287.017 of the Florida Statutes, for CATEGORY FOUR, the firm receiving the award shall be required to execute a truth-in-negotiation certificate stating that "wage rates and other factual unit costs supporting the compensation are accurate, complete and current at the time of contracting." In addition, any professional service contract under which such a certificate is required, shall contain a provision that "the original contract price and any additions thereto, shall be adjusted to exclude any significant sums by which the Board determines the contract price was increased due to inaccurate, incomplete, or noncurrent wage rates and other factual unit costs."
- (c) Should the District be unable to negotiate a satisfactory agreement with the firm determined to be the most qualified at a price deemed by the District to be fair, competitive, and reasonable, then negotiations with that firm shall be terminated and the District shall immediately begin negotiations with the second most qualified firm. If a satisfactory agreement with the second firm cannot be reached, those negotiations shall be terminated and negotiations with the third most qualified firm shall be undertaken.
- (d) Should the District be unable to negotiate a satisfactory agreement with one of the top three (3) ranked consultants, additional firms shall be selected by the District, in order of their competence and qualifications.

Negotiations shall continue, beginning with the first-named firm on the list, until an agreement is reached or the list of firms is exhausted.

- (6) Contracts; Public Records. In accordance with Florida law, each contract entered into pursuant to this Rule shall include provisions required by law that require the contractor to comply with public records laws.
- (7) Continuing Contract. Nothing in this Rule shall prohibit a Continuing Contract between a consultant and the District.
- (8) Emergency Purchase. The District may make an Emergency Purchase without complying with these Rules. The fact that an Emergency Purchase has occurred or is necessary shall be noted in the minutes of the next Board meeting.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 119.0701, 190.011(3), 190.033, 287.055, Fla. Stat.

Rule 3.2 Procedure Regarding Auditor Selection.

In order to comply with the requirements of Section 218.391 of the Florida Statutes, the following procedures are outlined for selection of firms or individuals to provide Auditing Services and for the negotiation of such contracts. For audits required under Chapter 190 of the Florida Statutes but not meeting the thresholds of Chapter 218 of the Florida Statutes, the District need not follow these procedures but may proceed with the selection of a firm or individual to provide Auditing Services and for the negotiation of such contracts in the manner the Board determines is in the best interests of the District.

(1) Definitions.

- (a) "Auditing Services" means those services within the scope of the practice of a certified public accounting firm licensed under Chapter 473 of the Florida Statutes, and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy.
- (b) "Committee" means the ~~audit~~auditor selection committee appointed by the Board as described in section (2) of this Rule.

(2) Establishment of ~~Audit~~Auditor Selection Committee. Prior to a public announcement under section (4) of this Rule that Auditing Services are required, the Board shall establish an ~~audit~~auditor selection committee ("Committee"), the primary purpose of which is to assist the Board in selecting an auditor to conduct the annual financial audit required by Section 218.39 of the Florida Statutes. The Committee ~~should~~shall include at least three individuals, ~~some or all~~at least one of ~~whom may~~which must also ~~serve as members~~be a member of the Board. The establishment and selection of the Committee must be conducted at a publicly noticed and held meeting of the Board. The Chairperson of the Committee must be a member of the Board. An employee, a chief executive officer, or a chief financial officer of the District may not serve as a member of the Committee; provided however such individual may serve the Committee in an advisory capacity.

(3) Establishment of Minimum Qualifications and Evaluation Criteria. Prior to a public announcement under section (4) of this Rule that Auditing Services are required, the Committee shall meet at a publicly noticed meeting to establish minimum qualifications and factors to use for the evaluation of Auditing Services to be provided by a certified public accounting firm licensed under Chapter 473 of the Florida Statutes, and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy.

- (a) Minimum Qualifications. In order to be eligible to submit a proposal, a firm must, at all relevant times including the time of receipt of the proposal by the District:

- (i) Hold all required applicable ~~federal~~state professional licenses in good standing, ~~if any~~;
- (ii) Hold all required applicable ~~state professional~~federal licenses in good standing, ~~if any~~;
- (iii) Hold a current and active Florida corporate charter or be authorized to do business in the State of Florida in accordance with Chapter 607 of the Florida Statutes, if the proposer is a corporation; and
- (iv) Meet any pre-qualification requirements established by the Committee and set forth in the RFP or other specifications.

If requested in the RFP or other specifications, evidence of compliance with the minimum qualifications as established by the Committee must be submitted with the proposal.

- (b) Evaluation Criteria. The factors established for the evaluation of Auditing Services by the Committee shall include, but are not limited to:
 - (i) Ability of personnel;
 - (ii) Experience;
 - (iii) ~~Understanding of scope of work;~~
 - ~~(iv)~~—Ability to furnish the required services; and
 - ~~(iv)~~ Such other factors as may be determined by the Committee to be applicable to its particular requirements.

The Committee may also choose to consider compensation as a factor. If the Committee establishes compensation as one of the factors, compensation shall not be the sole or predominant factor used to evaluate proposals.

- (4) Public Announcement. After identifying the factors to be used in evaluating the proposals for Auditing Services as set forth in section (3) of this Rule, the Committee shall publicly announce the opportunity to provide Auditing Services. Such public announcement shall include a brief description of the audit and how interested firms can apply for consideration and obtain the RFP. The notice shall appear in at least one (1) newspaper of general circulation in the District and the county in which the District is located. The public announcement shall allow for at least seven (7) days for the submission of proposals.

- (5) Request for Proposals. The Committee shall provide interested firms with a Request for Proposals (“RFP”). The RFP shall provide information on how proposals are to be evaluated and such other information the Committee determines is necessary for the firm to prepare a proposal. The RFP shall state the time and place for submitting proposals.
- (6) Committee’s Evaluation of Proposals and Recommendation. The Committee shall meet at a publicly held meeting that is publicly noticed for a reasonable time in advance of the meeting to evaluate all qualified proposals and may, as part of the evaluation, require that each interested firm provide a public presentation where the Committee may conduct discussions with the firm, and where the firm may present information, regarding the firm’s qualifications. At the public meeting, the Committee shall rank and recommend in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services after considering the factors established pursuant to subsection (3)(b) of this Rule. If fewer than three firms respond to the RFP or if no firms respond to the RFP, the Committee shall recommend such firm as it deems to be the most highly qualified. Notwithstanding the foregoing, the Committee may recommend that any and all proposals be rejected.
- (7) Board Selection of Auditor.
- (a) Where compensation was not selected as a factor used in evaluating the proposals, the Board shall negotiate with the firm ranked first and inquire of that firm as to the basis of compensation. If the Board is unable to negotiate a satisfactory agreement with the first ranked firm at a price deemed by the Board to be fair, competitive, and reasonable, then negotiations with that firm shall be terminated and the Board shall immediately begin negotiations with the second ranked firm. If a satisfactory agreement with the second ranked firm cannot be reached, those negotiations shall be terminated and negotiations with the third ranked firm shall be undertaken. The Board may reopen formal negotiations with any one of the three top-ranked firms, but it may not negotiate with more than one firm at a time. If the Board is unable to negotiate a satisfactory agreement with any of the selected firms, the Committee shall recommend additional firms in order of the firms’ respective competence and qualifications. Negotiations shall continue, beginning with the first-named firm on the list, until an agreement is reached or the list of firms is exhausted.
- (b) Where compensation was selected as a factor used in evaluating the proposals, the Board shall select the highest-ranked qualified firm- or document in its public records the reason for not selecting the highest-ranked qualified firm.

- (c) In negotiations with firms under this Rule, the Board may allow the District Manager, District Counsel, or other designee to conduct negotiations on its behalf.
 - (d) Notwithstanding the foregoing, the Board may reject any or all proposals. The Board shall not consider any proposal, or enter into any contract for Auditing Services, unless the proposed agreed-upon compensation is reasonable to satisfy the requirements of Section 218.39 of the Florida Statutes, and the needs of the District.
- (8) Contract. Any agreement reached under this Rule shall be evidenced by a written contract, which may take the form of an engagement letter signed and executed by both parties. The written contract shall include all provisions and conditions of the procurement of such services and shall include, at a minimum, the following:
- (a) A provision specifying the services to be provided and fees or other compensation for such services;
 - (b) A provision requiring that invoices for fees or other compensation be submitted in sufficient detail to demonstrate compliance with the terms of the contract;
 - (c) A provision setting forth deadlines for the auditor to submit a preliminary draft audit report to the District for review and to submit a final audit report no later than ~~July 1~~June 30 of the fiscal year that follows the fiscal year for which the audit is being conducted;
 - (d) A provision specifying the contract period, including renewals, and conditions under which the contract may be terminated or renewed. The maximum contract period including renewals shall be five (5) years. A renewal may be done without the use of the auditor selection procedures provided in this Rule; but must be in writing.
 - (e) Provisions required by law that require the auditor to comply with public records laws.
- (9) Notice of Award. Once a negotiated agreement with a firm or individual is reached, or the Board authorizes the execution of an agreement with a firm where compensation was a factor in the evaluation of proposals, notice of the intent to award, including the rejection of some or all proposals, shall be provided in writing to all proposers by United States Mail, hand delivery, facsimile, or overnight delivery service. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests regarding the award of contracts under this Rule

shall be as provided for in Rule 3.11. No proposer shall be entitled to recover any costs of proposal preparation or submittal from the District.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 119.0701, 218.33, 218.391, Fla. Stat.

Rule 3.3 Purchase of Insurance.

- (1) Scope. The purchases of life, health, accident, hospitalization, legal expense, or annuity insurance, or all of any kinds of such insurance for the officers and employees of the District, and for health, accident, hospitalization, and legal expenses upon a group insurance plan by the District, shall be governed by this Rule. This Rule does not apply to the purchase of any other type of insurance by the District, including but not limited to liability insurance, property insurance, and directors and officers insurance. Nothing in this Rule shall require the District to purchase insurance.
- (2) Procedure. For a purchase of insurance within the scope of these Rules, the following procedure shall be followed:
 - (a) The Board shall cause to be prepared a Notice of Invitation to Bid.
 - (b) Notice of the Invitation to Bid shall be advertised at least once in a newspaper of general circulation within the District. The notice shall allow at least fourteen (14) days for submittal of bids.
 - (c) The District may maintain a list of persons interested in receiving notices of Invitations to Bid. ~~Persons who provide their name and address to the District Manager for inclusion on the list shall receive notices by mail. The District shall make reasonable efforts to provide copies of any notices to such persons, but the failure to do so shall not give such consultants any bid protest or other rights or otherwise disqualify any otherwise valid procurement process.~~
 - (d) Bids shall be opened at the time and place noted in the Invitation to Bid.
 - (e) If only one (1) response to an Invitation is received, the District may proceed with the purchase. If no response to an Invitation to Bid is received, the District may take whatever steps are reasonably necessary in order to proceed with the purchase.
 - (f) The Board has the right to reject any and all bids and such reservations shall be included in all solicitations and advertisements.
 - (g) Simultaneously with the review of the submitted bids, the District may undertake negotiations with those companies that have submitted reasonable and timely bids and, in the opinion of the District, are fully qualified and capable of meeting all services and requirements. Bid responses shall be evaluated in accordance with the specifications and criteria contained in the Invitation to Bid; in addition, the total cost to the District, the cost, if any, to the District officers, employees, or their dependents, the geographic location of the company's headquarters and

offices in relation to the District, and the ability of the company to guarantee premium stability may be considered. A contract to purchase insurance shall be awarded to that company whose response to the Invitation to Bid best meets the overall needs of the District, its officers, employees, and/or dependents.

- (h) Notice of the intent to award, including rejection of some or all bids, shall be provided in writing to all bidders by United States Mail, by hand delivery, or by overnight delivery service. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's procurement of insurance under this Rule shall be in accordance with the procedures set forth in Rule 3.11.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: § 112.08, Fla. Stat.

Rule 3.4 Pre-qualification

- (1) Scope. In its discretion, the District may undertake a pre-qualification process in accordance with this Rule for vendors to provide construction services, goods, supplies, and materials, Contractual Services, and maintenance services.
- (2) Procedure. When the District seeks to pre-qualify vendors, the following procedures shall apply:
 - (a) The Board shall cause to be prepared a Request for Qualifications.
 - (b) For construction services exceeding the thresholds described in Section 255.20 of the Florida Statutes, the Board must advertise the proposed pre-qualification criteria and procedures and allow at least seven (7) days notice of the public hearing for comments on such pre-qualification criteria and procedures. At such public hearing, potential vendors may object to such pre-qualification criteria and procedures. Following such public hearing, the Board shall formally adopt pre-qualification criteria and procedures prior to the advertisement of the Request for Qualifications for construction services.
 - (c) The Request for Qualifications shall be advertised at least once in a newspaper of general circulation within the District and within the county in which the District is located. The notice shall allow at least seven (7) days for submittal of qualifications for goods, supplies and materials, Contractual Services, maintenance services, and construction services under two hundred fifty thousand dollars (\$250,000). The notice shall allow at least twenty-one (21) days for submittal of qualifications for construction services estimated to cost over two hundred fifty thousand dollars (\$250,000) and thirty (30) days for construction services estimated to cost over five hundred thousand dollars (\$500,000).
 - (d) The District may maintain lists of persons interested in receiving notices of Requests for Qualifications. The District shall make a good faith effort to provide written notice, by electronic mail, United States Mail, hand delivery, or facsimile, to persons who provide their name and address to the District Manager for inclusion on the list. However, failure of a person to receive the notice shall not invalidate any pre-qualification determination or contract awarded in accordance with these Rules and shall not be a basis for a protest of any pre-qualification determination or contract award.
 - (e) If the District has pre-qualified vendors for a particular category of purchase, at the option of the District, only those persons who have been pre-qualified will be eligible to submit bids, proposals, replies or

responses in response to the applicable Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation.

- (f) In order to be eligible to submit qualifications, a firm or individual must, at the time of receipt of the qualifications:
 - (i) Hold ~~the~~all required applicable state professional licenses in good standing;
 - (ii) Hold all required applicable federal licenses in good standing, if any;
 - (iii) Hold a current and active Florida corporate charter or be authorized to do business in the State of Florida in accordance with Chapter 607 of the Florida Statutes, if the vendor is a corporation; and
 - (iv) Meet any special pre-qualification requirements set forth in the Request for Qualifications.

Evidence of compliance with these Rules must be submitted with the qualifications if required by the District. Failure to submit evidence of compliance when required may be grounds for rejection of the qualifications.

- (g) Qualifications shall be presented to the Board, or a committee appointed by the Board, for evaluation in accordance with the Request for Qualifications and this Rule. Minor variations in the qualifications may be waived by the Board. A variation is minor if waiver of the variation does not create a competitive advantage or disadvantage of a material nature.
- (h) All vendors determined by the District to meet the pre-qualification requirements shall be pre-qualified. To assure full understanding of the responsiveness to the requirements contained in a Request for Qualifications, discussions may be conducted with qualified vendors. Vendors shall be accorded fair treatment prior to the submittal date with respect to any opportunity for discussion and revision of qualifications. For construction services, any contractor pre-qualified and considered eligible by the Department of Transportation to bid to perform the type of work the project entails shall be presumed to be qualified to perform the project.
- (i) The Board shall have the right to reject all qualifications if there are not enough to be competitive or if rejection is determined to be in the best interest of the District. No vendor shall be entitled to recover any costs of qualification preparation or submittal from the District.

(j) Notice of intent to pre-qualify, including rejection of some or all qualifications, shall be provided in writing to all vendors by United States Mail, electronic mail, hand delivery, facsimile, or overnight delivery service. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's pre-qualification decisions under this Rule shall be in accordance with the procedures set forth in Rule 3.11; provided however, protests related to the pre-qualification criteria and procedures for construction services shall be resolved in accordance with section (2)(b) of this Rule and Section 255.20(1)(b) of the Florida Statutes.

(3) Suspension, Revocation, or Denial of Qualification

(a) The District, for good cause, may deny, suspend, or revoke a prequalified vendor's pre-qualified status. A suspension, revocation, or denial for good cause shall prohibit the vendor from bidding on any District construction contract for which qualification is required, shall constitute a determination of non-responsibility to bid on any other District construction or maintenance contract, and shall prohibit the vendor from acting as a material supplier or subcontractor on any District contract or project during the period of suspension, revocation, or denial. Good cause shall include the following:

- i. One of the circumstances specified under Section 337.16(2), Fla. Stat., has occurred.
- ii. Affiliated contractors submitted more than one proposal for the same work. In this event the pre-qualified status of all of the affiliated bidders will be revoked, suspended, or denied. All bids of affiliated bidders will be rejected.
- iii. The vendor made or submitted false, deceptive, or fraudulent statements, certifications, or materials in any claim for payment or any information required by any District contract.
- iv. The vendor or its affiliate defaulted on any contract or a contract surety assumed control of financial responsibility for any contract of the vendor.
- v. The vendor's qualification to bid is suspended, revoked, or denied by any other public or semi-public entity, or the vendor has been the subject of a civil enforcement proceeding or settlement involving a public or semi-public entity.
- vi. The vendor failed to comply with contract or warranty requirements or failed to follow District direction in the performance of a contract.

vii. The vendor failed to timely furnish all contract documents required by the contract specifications, special provisions, or by any state or federal statutes or regulations. If the vendor fails to furnish any of the subject contract documents by the expiration of the period of suspension, revocation, or denial set forth above, the vendor's pre-qualified status shall remain suspended, revoked, or denied until the documents are furnished.

viii. The vendor failed to notify the District within 10 days of the vendor, or any of its affiliates, being declared in default or otherwise not completing work on a contract or being suspended from qualification to bid or denied qualification to bid by any other public or semi-public agency.

ix. The vendor did not pay its subcontractors or suppliers in a timely manner or in compliance with contract documents.

x. The vendor has demonstrated instances of poor or unsatisfactory performance, deficient management resulting in project delay, poor quality workmanship, a history of payment of liquidated damages, untimely completion of projects, uncooperative attitude, contract litigation, inflated claims or defaults.

xi. An affiliate of the vendor has previously been determined by the District to be non-responsible, and the specified period of suspension, revocation, denial, or non-responsibility remains in effect.

xii. The vendor or affiliate(s) has been convicted of a contract crime.

1. The term "contract crime" means any violation of state or federal antitrust laws with respect to a public contract or any violation of any state or federal law involving fraud, bribery, collusion, conspiracy, or material misrepresentation with respect to a public contract.

2. The term "convicted" or "conviction" means a finding of guilt or a conviction of a contract crime, with or without an adjudication of guilt, in any federal or state trial court of record as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.

(b) A denial, suspension, or revocation shall prohibit the vendor from being a subcontractor on District work during the period of denial, suspension, or revocation, except when a prime contractor's bid has used prices of a subcontractor who becomes disqualified after the bid, but before the request for authorization to sublet is presented.

(c) The District shall inform the vendor in writing of its intent to deny, suspend, or revoke its pre-qualified status and inform the vendor of its right to a hearing, the procedure which must be followed, and the applicable time limits. If a hearing is requested within 10 days after the receipt of the notice of intent, the hearing shall be held within 30 days after receipt by the District of the request for the hearing. The decision shall be issued within 15 days after the hearing.

(d) Such suspension or revocation shall not affect the vendor's obligations under any preexisting contract.

(e) In the case of contract crimes, the vendor's pre-qualified status under this Rule shall be revoked indefinitely. For all violations of Rule 3.4(3)(a) other than for the vendor's conviction for contract crimes, the revocation, denial, or suspension of a vendor's pre-qualified status under this Rule shall be for a specific period of time based on the seriousness of the deficiency.

Examples of factors affecting the seriousness of a deficiency are:

- i. Impacts on project schedule, cost, or quality of work;
- ii. Unsafe conditions allowed to exist;
- iii. Complaints from the public;
- iv. Delay or interference with the bidding process;
- v. The potential for repetition;
- vi. Integrity of the public contracting process;
- vii. Effect on the health, safety, and welfare of the public.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 190.033, 255.0525, 255.20, Fla. Stat.

Rule 3.5 Construction Contracts, Not Design-Build.

- (1) Scope. All contracts for the construction or improvement of any building, structure, or other public construction works authorized by Chapter 190 of the Florida Statutes, the costs of which are estimated by the District in accordance with generally accepted cost accounting principles to be in excess of the threshold amount for applicability of Section 255.20 of the Florida Statutes, as that amount may be indexed or amended from time to time, shall be let under the terms of these Rules and the procedures of Section 255.20 of the Florida Statutes, as the same may be amended from time to time. A project shall not be divided solely to avoid the threshold bidding requirements.
- (2) Procedure. When a purchase of construction services is within the scope of this Rule, the following procedures shall apply:
 - (a) The Board shall cause to be prepared an Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation.
 - (b) Notice of the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation shall be advertised at least once in a newspaper of general circulation in the District and in the county in which the District is located. The notice shall also include the amount of the bid bond, if one is required. The notice shall allow at least twenty-one (21) days for submittal of sealed bids, proposals, replies, or responses, unless the Board, for good cause, determines a shorter period of time is appropriate. Any project projected to cost more than five hundred thousand dollars (\$500,000) must be noticed at least thirty (30) days prior to the date for submittal of bids, proposals, replies, or responses. If the Board has previously pre-qualified contractors pursuant to Rule 3.4 and determined that only the contractors that have been pre-qualified will be permitted to submit bids, proposals, replies, and responses, the Notice of Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation need not be published. Instead, the Notice of Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation shall be sent to the pre-qualified contractors by United States Mail, hand delivery, facsimile, or overnight delivery service.
 - (c) The District may maintain lists of persons interested in receiving notices of Invitations to Bid, Requests for Proposals, Invitations to Negotiate, and Competitive Solicitations. The District shall make a good faith effort to provide written notice, by electronic mail, United States Mail, hand delivery, or facsimile, to persons who provide their name and address to the District Manager for inclusion on the list. However, failure of a person to receive the notice shall not invalidate any contract awarded in accordance with this Rule and shall not be a basis for a protest of any contract award.

- (d) If the District has pre-qualified providers of construction services, then, at the option of the District, only those persons who have been pre-qualified will be eligible to submit bids, proposals, replies, or responses to Invitations to Bid, Requests for Proposals, Invitations to Negotiate, and Competitive Solicitations.
- (e) In order to be eligible to submit a bid, proposal, reply, or response, a firm or individual must, at the time of receipt of the bids, proposals, replies, or responses:
 - (i) Hold ~~the~~all required applicable state professional licenses in good standing;
 - (ii) Hold all required applicable federal licenses in good standing, if any;
 - (iii) Hold a current and active Florida corporate charter or be authorized to do business in the State of Florida in accordance with Chapter 607 of the Florida Statutes, if the bidder is a corporation; and
 - (iv) Meet any special pre-qualification requirements set forth in the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation.

Any contractor that has been found guilty by a court of any violation of federal labor or employment tax laws regarding subjects ~~such as~~including but not limited to, reemployment assistance, safety, tax withholding, worker's compensation, unemployment tax, social security and Medicare tax, wage or hour, or prevailing rate laws within the past 5 years may be considered ineligible by the District to submit a bid, response, or proposal for a District project.

Evidence of compliance with these Rules must be submitted with the bid, proposal, reply, or response, if required by the District. Failure to submit evidence of compliance when required may be grounds for rejection of the bid, proposal, reply, or response.

- (f) Bids, proposals, replies, and responses, or the portions of which that include the price, shall be publicly opened at a meeting noticed in accordance with Rule 1.3, and at which at least one district representative is present. The name of each bidder and the price submitted in the bid shall be announced at such meeting, and shall be made available upon request. Minutes should be taken at the meeting and maintained by the District. Bids, proposals, replies, and responses shall be evaluated in

accordance with the respective Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation and these Rules. Minor variations in the bids, proposals, replies, or responses may be waived by the Board. A variation is minor if waiver of the variation does not create a competitive advantage or disadvantage of a material nature. Mistakes in arithmetic extension of pricing may be corrected by the Board. Bids and proposals may not be modified or supplemented after opening; provided however, additional information may be requested and/or provided to evidence compliance, make non-material modifications, clarifications, or supplementations, and as otherwise permitted by Florida law.

- (g) The lowest Responsive Bid submitted by a Responsive and Responsible Bidder in response to an Invitation to Bid shall be accepted. In relation to a Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, the Board shall select the Responsive Proposal, Reply, or Response submitted by a Responsive and Responsible Vendor which is most advantageous to the District. To assure full understanding of the responsiveness to the solicitation requirements contained in a Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, discussions may be conducted with qualified vendors. Vendors shall be accorded fair treatment prior to the submittal date with respect to any opportunity for discussion, preparation, and revision of bids, proposals, replies, and responses.
- (h) The Board shall have the right to reject all bids, proposals, replies, or responses because they exceed the amount of funds budgeted for the purchase, if there are not enough to be competitive, or if rejection is determined to be in the best interest of the District. No contractor shall be entitled to recover any costs of bid, proposal, response, or reply preparation or submittal from the District.
- (i) The Board may require potential contractors to furnish bid bonds, performance bonds, and/or other bonds with a responsible surety to be approved by the Board.
- (j) Notice of intent to award, including rejection of some or all bids, proposals, replies, or responses, shall be provided in writing to all contractors by United States Mail, hand delivery, facsimile, or overnight delivery service. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's purchase of construction services under this Rule shall be in accordance with the procedures set forth in Rule 3.11.

- (k) If less than three (3) Responsive Bids, Proposals, Replies, or Responses are received, the District may purchase construction services or may reject the bids, proposals, replies, or responses for a lack of competitiveness. If no Responsive Bid, Proposal, Reply, or Response is received, the District may ~~take whatever steps reasonably necessary in order to~~ proceed with the procurement of construction services, in the manner the Board determines is in the best interests of the District, which ~~steps~~ may include but is not limited to a direct purchase of the construction services without further competitive selection processes.
- (3) Sole Source; Government. Construction services that are only available from a single source are exempt from this Rule. Construction services provided by governmental agencies are exempt from this Rule. This Rule shall not apply to the purchase of construction services, which may include goods, supplies, or materials, that are purchased under a federal, state, or local government contract that has been competitively procured by such federal, state, or local government in a manner consistent with the material procurement requirements of these Rules. A contract for construction services is exempt from this Rule if state or federal law prescribes with whom the District must contract or if the rate of payment is established during the appropriation process.
- (4) Contracts; Public Records. In accordance with Florida law, each contract entered into pursuant to this Rule shall include provisions required by law that require the contractor to comply with public records laws.
- (5) Emergency Purchases. The District may make an Emergency Purchase without complying with these rules. The fact that an Emergency Purchase has occurred or is necessary shall be noted in the minutes of the next Board Meeting.
- (6) Exceptions. This Rule is inapplicable when:
- (a) The project is undertaken as repair or maintenance of an existing public facility;
 - (b) The funding source of the project will be diminished or lost because the time required to competitively award the project after the funds become available exceeds the time within which the funding source must be spent;
 - (c) The District has competitively awarded a project and the contractor has abandoned the project or the District has terminated the ~~contractor~~contract; or
 - (d) The District, after public notice, conducts a public meeting under Section 286.011 of the Florida Statutes, and finds by a majority vote of the Board that it is in the public's best interest to perform the project using its own services, employees, and equipment.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 119.0701, 189.053, 190.033, 255.0518, 255.0525, 255.20, 287.055, Fla. Stat.

Rule 3.6 Construction Contracts, Design-Build.

- (1) Scope. The District may utilize Design-Build Contracts for any public construction project for which the Board determines that use of such contract is in the best interest of the District. When letting a Design-Build Contract, the District shall use the following procedure:
- (2) Procedure.
 - (a) The District shall utilize a Design Criteria Professional meeting the requirements of Section 287.055(2)(k) of the Florida Statutes, when developing a Design Criteria Package, evaluating the proposals and qualifications submitted by Design-Build Firms, and determining compliance of the project construction with the Design Criteria Package. The Design Criteria Professional may be an employee of the District, may be the District Engineer selected by the District pursuant to Section 287.055 of the Florida Statutes, or may be retained pursuant to Rule 3.1. The Design Criteria Professional is not eligible to render services under a Design-Build Contract executed pursuant to the Design Criteria Package.
 - (b) A Design Criteria Package for the construction project shall be prepared and sealed by the Design Criteria Professional. If the project utilizes existing plans, the Design Criteria Professional shall create a Design Criteria Package by supplementing the plans with project specific requirements, if any.
 - (c) The Board may either choose to award the Design-Build Contract pursuant to the competitive proposal selection process set forth in Section 287.055(9) of the Florida Statutes, or pursuant to the qualifications-based selection process pursuant to Rule 3.1.
 - (i) Qualifications-Based Selection. If the process set forth in Rule 3.1 is utilized, subsequent to competitive negotiations, a guaranteed maximum price and guaranteed completion date shall be established.
 - (ii) Competitive Proposal-Based Selection. If the competitive proposal selection process is utilized, the Board, in consultation with the Design Criteria Professional, shall establish the criteria, standards and procedures for the evaluation of Design-Build Proposals based on price, technical, and design aspects of the project, weighted for the project. After a Design Criteria Package and the standards and procedures for evaluation of proposals have been developed,

competitive proposals from qualified firms shall be solicited pursuant to the design criteria by the following procedure:

1. A Request for Proposals shall be advertised at least once in a newspaper of general circulation in the county in which the District is located. The notice shall allow at least twenty-one (21) days for submittal of sealed proposals, unless the Board, for good cause, determines a shorter period of time is appropriate. Any project projected to cost more than five hundred thousand dollars (\$500,000) must be noticed at least thirty (30) days prior to the date for submittal of proposals.
2. The District may maintain lists of persons interested in receiving notices of Requests for Proposals. The District shall make a good faith effort to provide written notice, by electronic mail, United States Mail, hand delivery, or facsimile, to persons who provide their name and address to the District Manager for inclusion on the list. However, failure of a person to receive the notice shall not invalidate any contract awarded in accordance with this Rule and shall not be a basis for a protest of any contract award.
3. In order to be eligible to submit a proposal, a firm must, at the time of receipt of the proposals:
 - a. Hold the required applicable state professional licenses in good standing, as defined by Section 287.055(2)(h) of the Florida Statutes;
 - b. Hold all required applicable federal licenses in good standing, if any;
 - c. Hold a current and active Florida corporate charter or be authorized to do business in the State of Florida in accordance with Chapter 607 of the Florida Statutes, if the proposer is a corporation;
 - d. Meet any special pre-qualification requirements set forth in the Request for Proposals and Design Criteria Package.

Any contractor that has been found guilty by a court of any violation of federal labor or employment tax laws regarding subjects ~~such as~~ including but not limited to reemployment assistance, safety, tax withholding, worker's compensation,

unemployment tax, social security and Medicare tax, wage or hour, or prevailing rate laws within the past 5 years may be considered ineligible by the District to submit a bid, response, or proposal for a District project.

Evidence of compliance with these Rules must be submitted with the proposal if required by the District. Failure to submit evidence of compliance when required may be grounds for rejection of the proposal.

4. The proposals, or the portions of which that include the price, shall be publicly opened at a meeting noticed in accordance with Rule 1.3, and at which at least one district representative is present. The name of each bidder and the price submitted in the bid shall be announced at such meeting; and shall be made available upon request. Minutes should be taken at the meeting and maintained by the District. In consultation with the Design Criteria Professional, the Board shall evaluate the proposals received based on evaluation criteria and procedures established prior to the solicitation of proposals, including but not limited to qualifications, availability, and past work of the firms and the partners and members thereof. The Board shall then select no fewer than three (3) Design-Build Firms as the most qualified.
5. The Board shall have the right to reject all proposals if the proposals are too high, or rejection is determined to be in the best interest of the District. No vendor shall be entitled to recover any costs of proposal preparation or submittal from the District.
6. If less than three (3) ~~proposals~~Responsive Proposals are received, the District may purchase design-build services or may reject the proposals for lack of competitiveness. If no ~~proposals~~Responsive Proposals are received, the District may ~~take whatever steps reasonably necessary in order to~~ proceed with the procurement of design-build services in the manner the Board determines is in the best interests of the District, which ~~steps~~ may include but is not limited to a direct purchase of the design-build services without further competitive selection processes.
7. Notice of the rankings adopted by the Board, including the rejection of some or all proposals, shall be provided in writing to all consultants by United States Mail, hand

delivery, facsimile, or overnight delivery service. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's rankings under this Rule shall be in accordance with the procedures set forth in Rule 3.11.

8. The Board shall negotiate a contract with the firm ranking the highest based on the evaluation standards and shall establish a price which the Board determines is fair, competitive and reasonable. Should the Board be unable to negotiate a satisfactory contract with the firm considered to be the most qualified at a price considered by the Board to be fair, competitive, and reasonable, negotiations with that firm must be terminated. The Board shall then undertake negotiations with the second most qualified firm, based on the ranking by the evaluation standards. ~~Failing~~
~~accord~~Should the Board be unable to negotiate a satisfactory contract with the firm considered to be the second most qualified firm, the Board at a price considered by the Board to be fair, competitive, and reasonable, negotiations with that firm must terminate negotiations, be terminated. The Board shall then undertake negotiations with the third most qualified firm. Should the Board be unable to negotiate a satisfactory contract with the firm considered to be the third most qualified at a price considered by the Board to be fair, competitive, and reasonable, negotiations with that firm must be terminated. Should the Board be unable to negotiate a satisfactory contract with any of the selected firms, the Board shall select additional firms in order of their rankings based on the evaluation standards and continue negotiations until an agreement is reached or the list of firms is exhausted.
9. After the Board contracts with a firm, the firm shall bring to the Board for approval, detailed working drawings of the project.
10. The Design Criteria Professional shall evaluate the compliance of the detailed working drawings and project construction with the Design Criteria Package, and shall provide the Board with a report of the same.

- (3) Contracts; Public Records. In accordance with Florida law, each contract entered into pursuant to this Rule shall include provisions required by law that require the contractor to comply with public records laws.
- (4) Emergency Purchase. The Board may, in case of public emergency, declare an emergency and immediately proceed with negotiations with the best qualified Design-Build Firm available at the time. The fact that an Emergency Purchase has occurred shall be noted in the minutes of the next Board meeting.
- (5) Exceptions. This Rule is inapplicable when:
 - (a) The project is undertaken as repair or maintenance of an existing public facility;
 - (b) The funding source of the project will be diminished or lost because the time required to competitively award the project after the funds become available exceeds the time within which the funding source must be spent;
 - (c) The District has competitively awarded a project and the contractor has abandoned the project or the District has terminated the contractor; or
 - (d) The District, after public notice, conducts a public meeting under Section 286.011 of the Florida Statutes, and finds by a majority vote of the Board that it is in the public's best interest to perform the project using its own services, employees, and equipment.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 119.0701, 189.053, 190.033, 255.0518, 255.0525, 255.20, 287.055, Fla. Stat.

Rule 3.7 Payment and Performance Bonds.

- (1) Scope. This Rule shall apply to contracts for the construction of a public building, for the prosecution and completion of a public work, or for repairs upon a public building or public work; and shall be construed in addition to terms prescribed by any other Rule that may also apply to such contracts.
- (2) Required Bond. Upon entering into a contract for any of the services described in section (1) of this Rule in excess of \$200,000, the Board should require that the contractor, before commencing the work, execute and record a payment and performance bond in an amount equal to the contract price. Notwithstanding the terms of the contract or any other law, the District may not make payment to the contractor until the contractor has provided to the District a certified copy of the recorded bond.
- (3) Discretionary Bond. At the discretion of the Board, upon entering into a contract for any of the services described in section (1) of this Rule for an amount not exceeding \$200,000, the contractor may be exempted from executing a payment and performance bond.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: § 255.05, Fla. Stat.

Rule 3.8 Goods, Supplies, and Materials.

- (1) Purpose and Scope. All purchases of goods, supplies, or materials exceeding the amount provided in Section 287.017 of the Florida Statutes, for CATEGORY FOUR, shall be purchased under the terms of this Rule. Contracts for purchases of “goods, supplies, and materials” do not include printing, insurance, advertising, or legal notices. A contract involving goods, supplies, or materials plus maintenance services may, in the discretion of the Board, be treated as a contract for maintenance services. However, a purchase shall not be divided solely in order to avoid the threshold bidding requirements.
- (2) Procedure. When a purchase of goods, supplies, or materials is within the scope of this Rule, the following procedures shall apply:
 - (a) The Board shall cause to be prepared an Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation.
 - (b) Notice of the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation shall be advertised at least once in a newspaper of general circulation within the District and within the county in which the District is located. The notice shall also include the amount of the bid bond, if one is required. The notice shall allow at least seven (7) days for submittal of bids, proposals, replies, or responses.
 - (c) The District may maintain lists of persons interested in receiving notices of Invitations to Bid, Requests for Proposals, Invitations to Negotiate, or Competitive Solicitations. The District shall make a good faith effort to provide written notice, by electronic mail, United States Mail, hand delivery, or facsimile, to persons who provide their name and address to the District Manager for inclusion on the list. However, failure of a person to receive the notice shall not invalidate any contract awarded in accordance with this Rule and shall not be a basis for a protest of any contract award.
 - (d) If the District has pre-qualified suppliers of goods, supplies, and materials, then, at the option of the District, only those persons who have been pre-qualified will be eligible to submit bids, proposals, replies, or responses.
 - (e) In order to be eligible to submit a bid, proposal, reply, or response, a firm or individual must, at the time of receipt of the bids, proposals, replies, or responses:
 - (i) Hold ~~the~~all required applicable state professional licenses in good standing;
 - (ii) Hold all required applicable federal licenses in good standing, if any;

- (iii) Hold a current and active Florida corporate charter or be authorized to do business in the State of Florida in accordance with Chapter 607 of the Florida Statutes, if the vendor is a corporation; and
- (iv) Meet any special pre-qualification requirements set forth in the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation.

Evidence of compliance with these Rules must be submitted with the bid, proposal, reply or response if required by the District. Failure to submit evidence of compliance when required may be grounds for rejection of the bid, proposal, reply, or response.

Any firm or individual whose principal place of business is outside the State of Florida must also submit a written opinion of an attorney at law licensed to practice law in that foreign state, as to the preferences, if any or none, granted by the law of that foreign state to business entities whose principal places of business are in that foreign state, in the letting of any or all public contracts. Failure to submit such a written opinion or submission of a false or misleading written opinion may be grounds for rejection of the bid, proposal, reply, or response.

- (f) Bids, proposals, replies, and responses shall be publicly opened at the time and place noted on the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation. Bids, proposals, replies, and responses shall be evaluated in accordance with the respective Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, and this Rule. Minor variations in the bids, proposals, replies, or responses may be waived by the Board. A variation is minor if waiver of the variation does not create a competitive advantage or disadvantage of a material nature. Mistakes in arithmetic extension of pricing may be corrected by the Board. Bids and proposals may not be modified or supplemented after opening; provided however, additional information may be requested and/or provided to evidence compliance, make non-material modifications, clarifications, or supplementations, and as otherwise permitted by Florida law.
- (g) The lowest Responsive Bid, after taking into account the preferences provided for in this subsection, submitted by a Responsive and Responsible Bidder in response to an Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation shall be accepted. If the lowest Responsive Bid is submitted by a Responsive and Responsible Bidder whose principal place of business is located in a foreign state which does not grant a preference in competitive purchase to businesses whose principal place of business are in that foreign state, the

lowest Responsible and Responsive Bidder whose principal place of business is in the State of Florida shall be awarded a preference of five (5) percent. If the lowest Responsive Bid is submitted by a Responsive and Responsible Bidder whose principal place of business is located in a foreign state which grants a preference in competitive purchase to businesses whose principal place of business are in that foreign state, the lowest Responsible and Responsive Bidder whose principal place of business is in the State of Florida shall be awarded a preference equal to the preference granted by such foreign state.

To assure full understanding of the responsiveness to the solicitation requirements contained in an Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, discussions may be conducted with qualified vendors. Vendors shall be accorded fair treatment prior to the submittal date with respect to any opportunity for discussion, preparation, and revision of bids, proposals, replies, and responses.

- (h) The Board shall have the right to reject all bids, proposals, replies, or responses because they exceed the amount of funds budgeted for the purchase, if there are not enough to be competitive, or if rejection is determined to be in the best interest of the District. No vendor shall be entitled to recover any costs of bid, proposal, reply, or response preparation or submittal from the District.
- (i) The Board may require bidders and proposers to furnish bid bonds, performance bonds, and/or other bonds with a responsible surety to be approved by the Board.
- (j) Notice of intent to award, including rejection of some or all bids, proposals, replies, or responses shall be provided in writing to all vendors by United States Mail, hand delivery, facsimile, or overnight delivery service. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's purchase of goods, supplies, and materials under this Rule shall be in accordance with the procedures set forth in Rule 3.11.
- (k) If less than three (3) ~~bids, proposals, replies~~ Responsive Bids, Proposals, Replies, or ~~responses~~ Responses are received, the District may purchase goods, supplies, or materials, or may reject the bids, proposals, replies, or responses for a lack of competitiveness. If no Responsive Bid, Proposal, Reply, or Response is received, the District may ~~take whatever steps reasonably necessary in order to~~ proceed with the procurement of goods, supplies, and materials, in the manner the Board determines is in the best

interests of the District, which ~~steps~~ may include but is not limited to a direct purchase of the goods, supplies, and materials without further competitive selection processes.

- (3) Goods, Supplies, and Materials included in a Construction Contract Awarded Pursuant to Rule 3.5 or 3.6. There may be occasions where the District has undergone the competitive purchase of construction services which contract may include the provision of goods, supplies, or materials. In that instance, the District may approve a change order to the contract and directly purchase the goods, supplies, and materials. Such purchase of goods, supplies, and materials deducted from a competitively purchased construction contract shall be exempt from this Rule.
- (4) Exemption. Goods, supplies, and materials that are only available from a single source are exempt from this Rule. Goods, supplies, and materials provided by governmental agencies are exempt from this Rule. A contract for goods, supplies, or materials is exempt from this Rule if state or federal law prescribes with whom the District must contract or if the rate of payment is established during the appropriation process. This Rule shall not apply to the purchase of goods, supplies or materials that are purchased under a federal, state, or local government contract that has been competitively procured by such federal, state, or local government in a manner consistent with the material procurement requirements of these Rules.
- (5) Renewal. Contracts for the purchase of goods, supplies, and/or materials subject to this Rule may be renewed for ~~a period that may not exceed three (3) years or the term of the original contract, whichever period is longer~~ a maximum period of five (5) years.
- (6) Emergency Purchases. The District may make an Emergency Purchase without complying with these rules. The fact that an Emergency Purchase has occurred or is necessary shall be noted in the minutes of the next Board meeting.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 189.053, 190.033, 287.017, 287.084, Fla. Stat.

Rule 3.9 Maintenance Services.

- (1) Scope. All contracts for maintenance of any District facility or project shall be set under the terms of this Rule if the cost exceeds the amount provided in Section 287.017 of the Florida Statutes, for CATEGORY FOUR. A contract involving goods, supplies, and materials plus maintenance services may, in the discretion of the Board, be treated as a contract for maintenance services. However, a purchase shall not be divided solely in order to avoid the threshold bidding requirements.
- (2) Procedure. When a purchase of maintenance services is within the scope of this Rule, the following procedures shall apply:
 - (a) The Board shall cause to be prepared an Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation.
 - (b) Notice of the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation shall be advertised at least once in a newspaper of general circulation within the District and within the county in which the District is located. The notice shall also include the amount of the bid bond, if one is required. The notice shall allow at least seven (7) days for submittal of bids, proposals, replies, or responses.
 - (c) The District may maintain lists of persons interested in receiving notices of Invitations to Bid, Requests for Proposals, Invitations to Negotiate, and Competitive Solicitations. The District shall make a good faith effort to provide written notice, by electronic mail, United States Mail, hand delivery, or facsimile, to persons who provide their name and address to the District Manager for inclusion on the list. However, failure of a person to receive the notice shall not invalidate any contract awarded in accordance with this Rule and shall not be a basis for a protest of any contract award.
 - (d) If the District has pre-qualified suppliers of maintenance services, then, at the option of the District, only those persons who have been pre-qualified will be eligible to submit bids, proposals, replies, and responses.
 - (e) In order to be eligible to submit a bid, proposal, reply, or response, a firm or individual must, at the time of receipt of the bids, proposals, replies, or responses:
 - (i) Hold ~~the~~all required applicable state professional licenses in good standing;
 - (ii) Hold all required applicable federal licenses in good standing, if any;

- (iii) Hold a current and active Florida corporate charter or be authorized to do business in the State of Florida in accordance with Chapter 607 of the Florida Statutes, if the vendor is a corporation; and
- (iv) Meet any special pre-qualification requirements set forth in the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation.

Evidence of compliance with these Rules must be submitted with the bid, proposal, reply, or response if required by the District. Failure to submit evidence of compliance when required may be grounds for rejection of the bid, proposal, reply, or response.

- (f) Bids, proposals, replies, and responses shall be publicly opened at the time and place noted on the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation. Bids, proposals, replies, and responses shall be evaluated in accordance with the respective Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, and these Rules. Minor variations in the bids, proposals, replies, and responses may be waived by the Board. A variation is minor if waiver of the variation does not create a competitive advantage or disadvantage of a material nature. Mistakes in arithmetic extension of pricing may be corrected by the Board. Bids and proposals may not be modified or supplemented after opening; provided however, additional information may be requested and/or provided to evidence compliance, make non-material modifications, clarifications, or supplementations, and as otherwise permitted by Florida law.
- (g) The lowest Responsive Bid submitted in response to an Invitation to Bid by a Responsive and Responsible Bidder shall be accepted. In relation to a Request for Proposals, Invitation to Negotiate or Competitive Solicitation the Board shall select the Responsive Proposal, Reply, or Response submitted by a Responsive and Responsible Vendor which is most advantageous to the District. To assure full understanding of the responsiveness to the solicitation requirements contained in a Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, discussions may be conducted with qualified vendors. Vendors shall be accorded fair treatment prior to the submittal date with respect to any opportunity for discussion, preparation, and revision of bids, proposals, replies, or responses.
- (h) The Board shall have the right to reject all bids, proposals, replies, or responses because they exceed the amount of funds budgeted for the purchase, if there are not enough to be competitive, or if rejection is determined to be in the best interest of the District. No Vendor shall be

entitled to recover any costs of bid, proposal, reply, or response preparation or submittal from the District.

- (i) The Board may require bidders and proposers to furnish bid bonds, performance bonds, and/or other bonds with a responsible surety to be approved by the Board.
 - (j) Notice of intent to award, including rejection of some or all bids, proposals, replies, or responses shall be provided in writing to all vendors by United States Mail, hand delivery, facsimile, or overnight delivery service. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's procurement of maintenance services under this Rule shall be in accordance with the procedures set forth in Rule 3.11.
 - (k) If less than three (3) Responsive Bids, Proposals, Replies, or Responses are received, the District may purchase the maintenance services or may reject the bids, proposals, replies, or responses for a lack of competitiveness. If no Responsive Bid, Proposal, Reply, or Response is received, the District may ~~take whatever steps reasonably necessary in order to~~ proceed with the procurement of maintenance services, in the manner the Board determines is in the best interests of the District, which ~~steps~~ may include but is not limited to a direct purchase of the maintenance services without further competitive selection processes.
- (3) Exemptions. Maintenance services that are only available from a single source are exempt from this Rule. Maintenance services provided by governmental agencies are exempt from this Rule. A contract for maintenance services is exempt from this Rule if state or federal law prescribes with whom the District must contract or if the rate of payment is established during the appropriation process.
- (4) Renewal. Contracts for the purchase of maintenance services subject to this Rule may be renewed for ~~a period that may not exceed three (3) years or the term of the original contract, whichever period is longer.~~ a maximum period of five (5) years.
- (5) Contracts; Public Records. In accordance with Florida law, each contract entered into pursuant to this Rule shall include provisions required by law that require the contractor to comply with public records laws.
- (6) Emergency Purchases. The District may make an Emergency Purchase without complying with these rules. The fact that an Emergency Purchase has occurred or is necessary shall be noted in the minutes of the next Board meeting.

Specific Authority: §§ 190.011(5), 190.011(15), 190.033, Fla. Stat.

Law Implemented: §§ 119.0701, 190.033, 287.017, Fla. Stat.

Rule 3.10 Contractual Services.

- (1) Exemption from Competitive Purchase. Pursuant to Section 190.033(3) of the Florida Statutes, Contractual Services shall not be subject to competitive purchasing requirements. If an agreement is predominantly for Contractual Services, but also includes maintenance services or the purchase of goods and services, the contract shall not be subject to competitive purchasing requirements. Regardless of whether an advertisement or solicitation for Contractual Services is identified as an Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, no rights or remedies under these Rules, including but not limited to protest rights, are conferred on persons, firms, or vendors proposing to provide Contractual Services to the District.
- (2) Contracts; Public Records. In accordance with Florida law, each contract for Contractual Services shall include provisions required by law that require the contractor to comply with public records laws.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 119.0701, 190.011(3), 190.033, Fla. Stat.

~~Rule 3.11 Protests~~ **With Respect To Proceedings under Rules 3.1, 3.2, 3.3,
3.4, 3.5, 3.6, 3.8, and 3.9.**

with Respect to Proceedings under Rules 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.8, and 3.9.

The resolution of any protests with respect to proceedings under Rules 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.8, and 3.9 shall be in accordance with this Rule.

(1) Filing.

- (a) With respect to a protest regarding qualifications, specifications, documentation, or other requirements contained in a Request for Qualifications, Request for Proposals, Invitation to Bid, or Competitive Solicitation issued by the District, the notice of protest shall be filed in writing within seventy-two (72) calendar hours (excluding Saturdays, Sundays, and state holidays) after the first advertisement of the Request for Qualifications, Request for Proposals, Invitation to Bid, or Competitive Solicitation. A formal protest setting forth with particularity the facts and law upon which the protest is based shall be filed within seven (7) calendar days (including Saturdays, Sundays, and state holidays) after the initial notice of protest was filed. For purposes of this Rule, wherever applicable, filing will be perfected and deemed to have occurred upon receipt by the District. Failure to file a notice of protest shall constitute a waiver of all rights to protest the District's intended decision. Failure to file a formal written protest shall constitute an abandonment of the protest proceedings and shall automatically terminate the protest proceedings.
- (b) Except for those situations covered by subsection (1)(a) of this Rule, any firm or person who is affected adversely by a District's ranking or intended award under Rules 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.8, or 3.9 and desires to contest the District's ranking or intended award, shall file with the District a written notice of protest within seventy-two (72) calendar hours (excluding Saturdays, Sundays, and state holidays) after receipt of the notice of the District's ranking or intended award. A formal protest setting forth with particularity the facts and law upon which the protest is based shall be filed within seven (7) calendar days (including Saturdays, Sundays, and state holidays) after the initial notice of protest was filed. For purposes of this Rule, wherever applicable, filing will be perfected and deemed to have occurred upon receipt by the District. Failure to file a notice of protest shall constitute a waiver of all rights to protest the District's ranking or intended award. Failure to file a formal written protest shall constitute an abandonment of the protest proceedings and shall automatically terminate the protest proceedings.

~~(e) If~~ (c) If the requirement for the posting of a protest bond and the amount of the protest bond, which may be expressed by a percentage of the contract to be awarded or a set amount, is disclosed in the District's competitive solicitation documents for a particular purchase under Rules 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.8, or 3.9, the Board may require

any person who files a notice of protest ~~to~~must post ~~a~~the protest bond ~~in the. The~~ amount ~~equal to 1% of the anticipated contract amount that is the subject of the protest~~ bond shall be determined by District staff after consultation with the Board and within the limits, if any, imposed by Florida law. In the event the protest is successful, the protest bond shall be refunded to the protestor. In the event the protest is unsuccessful, the protest bond shall be applied towards the District's costs, expenses, and attorney's fees associated with hearing and defending the protest. In the event the protest is settled by mutual agreement of the parties, the protest bond shall be distributed as agreed to by the District and protestor.

- (d) The District does not accept documents filed by electronic mail or facsimile transmission. Filings are only accepted during normal business hours.
- (2) Contract Execution. Upon receipt of a notice of protest which has been timely filed, the District shall not execute the contract under protest until the subject of the protest is resolved. However, if the District sets forth in writing particular facts and circumstances showing that delay incident to protest proceedings will jeopardize the funding for the project, will materially increase the cost of the project, or will create an immediate and serious danger to the public health, safety, or welfare, the contract may be executed.
- (3) Informal Proceeding. If the Board determines a protest does not involve a disputed issue of material fact, the Board may, but is not obligated to, schedule an informal proceeding to consider the protest. Such informal proceeding shall be at a time and place determined by the Board. Notice of such proceeding shall be sent via facsimile, United States Mail, or hand delivery to the protestor and any substantially affected persons or parties not less than three (3) calendar days prior to such informal proceeding. Within thirty (30) calendar days following the informal proceeding, the Board shall issue a written decision setting forth the factual, legal, and policy grounds for its decision.
- (4) Formal Proceeding. If the Board determines a protest involves disputed issues of material fact or if the Board elects not to use the informal proceeding process provided for in section (3) of this Rule, the District shall schedule a formal hearing to resolve the protest. The Chairperson shall designate any member of the Board (including the Chairperson), District Manager, District Counsel, or other person as a hearing officer to conduct the hearing. The hearing officer may:
 - (a) Administer oaths and affirmations;
 - (b) Rule upon offers of proof and receive relevant evidence;
 - (c) Regulate the course of the hearing, including any pre-hearing matters;

(d) Enter orders; and

(e) Make or receive offers of settlement, stipulation, and adjustment.

The hearing officer shall, within thirty (30) days after the hearing or receipt of the hearing transcript, whichever is later, file a recommended order which shall include a caption, time and place of hearing, appearances entered at the hearing, statement of the issues, findings of fact and conclusions of law, separately stated, and a recommendation for final District action. The District shall allow each party fifteen (15) days in which to submit written exceptions to the recommended order. The District shall issue a final order within sixty (60) days after the filing of the recommended order.

(5) Intervenors. Other substantially affected persons may join the proceedings as intervenors on appropriate terms which shall not unduly delay the proceedings.

(6) Rejection of all Qualifications, Bids, Proposals, Replies and Responses after Receipt of Notice of Protest. If the Board determines there was a violation of law, defect, or an irregularity in the competitive solicitation process, the Bids, Proposals, Replies, and Responses are too high, or if the Board determines it is otherwise in the District's best interest, the Board may reject all qualifications, bids, proposals, replies, and responses and start the competitive solicitation process anew. If the Board decides to reject all qualifications, bids, proposals, replies, and responses and start the competitive solicitation process anew, any pending protests shall automatically terminate.

(7) Settlement. Nothing herein shall preclude the settlement of any protest under this Rule at any time.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: § 190.033, Fla. Stat.

Rule 4.0 Effective Date.

These Rules shall be effective _____, ~~2018,20~~, except that no election of officers required by these Rules shall be required until after the next regular election for the Board.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 190.011(5), 190.011(15), Fla. Stat.