

Osceola Chain of Lakes Community Development District

Board of Supervisors

Anthony Iorio, Chairman
Kimberly Locher, Assistant Secretary
Jason Lonas, Assistant Secretary
Doug Beasley, Supervisor
Garison Clemens, Supervisor

Staff

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

Agenda

Wednesday, January 8, 2020 – 1:30 p.m.

1. **Call to Order**
2. **Roll Call**
3. **Public Comment Period**
4. **Approval of Minutes of the December 4, 2019, Meeting**
5. **Administrative Matters**
 - a. Oath of Office for Newly Appointed Supervisors
 - b. Consideration of Resolution 2020-02, Election of Officers
6. **Bond-Related Matters**
 - a. Second Supplemental Engineering Report
 - b. Second Supplemental Assessment Report
 - c. Consideration of Resolution 2020-03, Delegation Resolution
 - i. Exhibit A: Bond Purchase Agreement
 - ii. Exhibit B: Supplemental Trust Indenture
 - iii. Exhibit C: Preliminary Limited Offering Memorandum
 - iv. Exhibit D: Continuing Disclosure Agreement
7. **District Manager's Report**
 - a. Financial Statements (*November 2019*)
 - b. Check Register
8. **Staff Reports**
 - a. Attorney
 - i. Resolution 2020-04, Internal Controls Policy
 - ii. Discussion on Proposed Amended and Restated 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, February 5, 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, December 4, 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 (<i>by phone</i>)	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 the November 6, 2019, 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 have no comments.

On MOTION by Ms. Locher, seconded by Mr. Lonas, with all in favor, unanimous approval was given to accept the minutes of the November 6, 2019, meeting, as presented.

FIFTH ORDER OF BUSINESS

Administrative Matters

A. Acceptance of Resignation from Mr. Ryan Kahn

On MOTION by Mr. Lonas, seconded by Ms. Locher, with all in favor, unanimous approval was given to accept the resignation from Mr. Ryan Kahn.

B. Consideration of Appointment to Fill the Unexpired Terms of Office for Seats 3 and 5

Mr. Iorio stated my nominees are not at today's meeting, but I would like to nominate Mr. Doug Beasley and Mr. Garison Clemens.

Mr. Moyer stated Seat 3 expires in 2022, and Seat 5 expires in 2020. You need to keep in mind that one seat has a three-year term and the other about 10 months.

On MOTION by Mr. Lonas, seconded by Ms. Locher, with all in favor, unanimous approval was given to appoint Mr. Doug Beasley to fill the unexpired term of office for Seat 3, expiring in November 2022.

On MOTION by Mr. Lonas, seconded by Ms. Locher, with all in favor, unanimous approval was given to appoint Mr. Garison Clemens to fill the unexpired term of office for Seat 5, expiring in November 2020.

Mr. Iorio stated I will forward their contact information to Ms. Brenda Burgess.

C. Oath of Office for Newly Appointed Supervisors

This item will be addressed at the next Board meeting.

D. Consideration of Election of Officers

This item will be addressed at the next Board meeting.

SIXTH ORDER OF BUSINESS

Bond-Related Matters

A. Second Supplemental Engineering Report

Ms. Stalder stated I have spoken with Ms. Sandy, and we are changing a little bit of the report. We expect to have it ready next week.

Ms. Sandy stated I circulated comments to the financing team and Mr. Iorio, and the updates are to reflect what has been completed under the 2018 project so we can reflect the contribution amount that will be credited to the developer as well as the amounts that will be carried over to the 2020 project that will be reimbursable from bond proceeds. Those were the two main items the report will be updated to reflect.

Mr. Iorio asked can we expect something early next week?

Mr. Moyer stated I believe so. Has the overall capital improvement program changed, or is it still at \$15 million?

Ms. Stalder stated we are changing none of that. We are adding information about the previous project.

Mr. Moyer stated that is an item in the methodology report, which ties into the two bond issues and how much needs to be contributed. I just wanted clarity on that.

B. Second Supplemental Assessment Report

Mr. Moyer stated the report is substantially complete and was based on the numbers we had that Ms. Stalder is going to finetune with the capital improvement program. Once we receive that information, we will update the report and provide it to the Board.

Ms. Sandy stated I reviewed it this morning, and overall did not see any major issues. I have a few comments I will provide to Mr. Moyer and Ms. Burgess. I think there may be a slight change in the numbers due to collection costs being higher than originally anticipated under the bond pricing we originally had. Overall, it looks like we are in good shape.

C. Second Supplemental Trust Indenture

Mr. Moyer stated I believe we are going to further consider this at the January meeting.

Mr. Rowan stated yes, the current plan is to consider the delegation resolution in January, whereby the second supplemental trust indenture and other documents will be exhibits to that resolution. From a timing perspective, it does not delay us to hold off and tweak the review of these documents and get comments to present them in January.

D. Resolution 2020-02, Delegation Resolution

This item will be considered at the January meeting.

SEVENTH ORDER OF BUSINESS

District Manager Report

A. Financial Statements (October 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 October is the first month of our fiscal year, to keep in perspective when looking at revenues and 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.

On MOTION by Mr. Lonas, seconded by Ms. Locher, with all in favor, unanimous approval was given to the check register, as presented.
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EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney – Proposed Rules of Procedure

Ms. Sandy stated every few years, our firm updates our recommended rules of procedure for our districts based on statutory changes that happened over the prior years, as well as efficiencies that we see within how districts operate and things of that nature. What is included in the agenda package is a redline of the changes we are suggesting to the rules of procedure, as amended and restated. There is also a memorandum that outlines some of the bigger changes. I am happy to review the rules in more detail if the Board would like. At this time, I am asking for the Board to set a public hearing and direct staff to notice the same. We will probably not have time to advertise for a January hearing, but we could set the hearing for the February 5, 2020, meeting.

Mr. Iorio asked would we like Ms. Sandy to review the changes?

Ms. Locher stated I did not see anything that seemed out of order.

Ms. Sandy stated in large part, these are changes that you probably would not notice on a day-to-day basis since they involve how districts operate. It includes things such as the costs associated with a public records request and how those costs are calculated, and financial disclosure coordination which requires us to have a coordinator identified to update the Commission on Ethics regarding certain information for Supervisors. Agenda and meeting material is a bigger item to address some concerns for ADA compliance for our website. We are required to have meeting materials posted seven days prior to each meeting. That term is not defined in Florida Statutes, so we added a definition in the rules of procedure on what constitutes meeting materials. In large part, it is essentially the core documents of each agenda package: the agenda itself, minutes, agreements, resolutions, items for the Board's consideration, and financial statements. I do not think this District does it, but other districts include every invoice they receive, so their agenda packages can get quite large, which drives up costs when you are trying to make those pdfs ADA compliant. Those are the types of things we are updating.

Mr. Iorio stated your summary memorandum was very well done and summarizes everything succinctly.

On MOTION by Ms. Locher, seconded by Mr. Lonas, with all in favor, unanimous approval was given to set a public hearing for rulemaking for February 5, 2020, and to direct staff to notice said rulemaking hearing.

B. Engineer

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

NINTH ORDER OF BUSINESS

Public Comment Period

There being none, the next order of business followed.

TENTH ORDER OF BUSINESS

Other Business

There being none, the next order of business followed.

ELEVENTH ORDER OF BUSINESS

Supervisor Requests

There being none, the next order of business followed.

TWELFTH ORDER OF BUSINESS

Adjournment

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

On MOTION by Mr. Lonas, seconded by Ms. Locher, with all in favor, the meeting adjourned at 1:45 p.m.
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Gary L. Moyer, Secretary

Anthony Iorio, Chairman

Section 5

Administrative Matters

Subsection 5a

Oath of Office

OSCEOLA CHAIN OF LAKES
COMMUNITY DEVELOPMENT DISTRICT

OATH OF OFFICE

I, _____, a citizen of the State of Florida and of the United States of America, and being employed by or an officer of the Osceola Chain of Lakes Community Development District and a recipient of public funds as such employee or officer, do hereby solemnly swear or affirm that I will support the Constitution of the United States and the State of Florida.

Signature

ACKNOWLEDGEMENT OF OATH BEING TAKEN

STATE OF FLORIDA
COUNTY OF OSCEOLA

On this _____ day of _____, 2020, before me, personally appeared and is known to me to be the person described herein and who took the aforementioned oath as a Board Member of the Board of Supervisors of the Osceola Chain of Lakes Community Development District and acknowledged to and before me that they took said oath for the purposes therein expressed.

WITNESS my hand and official seal the date aforesaid.

SEAL

Notary Public
STATE OF FLORIDA

Printed name

My commission expires on: _____

Subsection 5b

Resolution 2020-02

RESOLUTION 2020-02

A RESOLUTION DESIGNATING OFFICERS OF THE OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Osceola Chain of Lakes Community Development District (“District”) is a local unit of special-purpose government created by, and established and existing pursuant to, Chapter 190, Florida Statutes (2019), being situated in Osceola County, Florida; and

WHEREAS, the Board of Supervisors of the District desires to appoint the below-recited persons to the offices specified.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT:

1. The following persons were appointed to the offices shown, to wit:

_____	Chairman
_____	Vice Chairman
<u>Gary L. Moyer</u>	Secretary
<u>Gary L. Moyer</u>	Treasurer
_____	Assistant Treasurer
_____	Assistant Secretary
_____	Assistant Secretary
_____	Assistant Secretary

This Resolution shall become effective immediately upon its adoption.

Adopted this 8th day of January, 2020.

ATTEST:

**Osceola Chain of Lakes
Community Development District**

Secretary

Chairman

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

January 8, 2020

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)

January 8, 2020

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 of 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.

The District previously issued its \$2,200,000 Capital Improvement Revenue Bonds, Series 2018 (“Series 2018 Bonds”), which financed a portion of the Series 2018 Project (as defined in the First Supplemental Assessment Report dated March 7, 2018). The Series 2018 Bonds are secured by the pledged revenues from the Series 2018 Assessments, which have been fully allocated to the platted units in Phases 1 and 2 in the District. This Supplemental Report will detail the financing terms of the District’s Series 2020 Bonds, which will be secured by Series 2020 Assessments anticipated to be absorbed by Phases 3, 4, and 5.

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 the Supplemental Engineer’s 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 is anticipated to be funded by Hanover Lakes, LLC (the “Developer”) or other available sources. The Series 2020 Project is anticipated to complete the District’s CIP.

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. Series 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	\$ 0
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 after 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 collection costs and the possibility that landowners will avail themselves of early payment discounts. Currently, the aggregate rate for costs and discounts is 6.0%, but this may fluctuate as provided by law. The collection costs may be increased if the fees charged by the property appraiser and tax collector increase as permitted by Florida law.

TABLE 2. Details of the Series 2020 Bonds

SOURCES		
Principal Amount of Series 2020 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

Housing Type	ERU Factor	Units	Total ERUs	CIP Per Unit Type	CIP Per Unit	Total Par Debt	Par Debt Per Unit
50-ft interior	1.0	209	209	\$ 5,644,857.30	\$ 27,008.89	\$ 7,517,895.20	\$ 35,970.79
50-ft lakeside	1.0	127	127	\$ 3,430,128.60	\$ 27,008.89	\$ 4,568,290.38	\$ 35,970.79
60-ft lakeside	1.2	<u>205</u>	<u>246</u>	<u>\$ 6,644,186.10</u>	\$ 32,410.66	<u>\$ 8,848,814.43</u>	\$ 43,164.95
Total		541	582	\$ 15,719,172.00		\$ 20,935,000.00	

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 recognize contributions of Series 2018 Project and/or Series 2020 Project infrastructure from the Developer (the “2020 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 2020 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 Unit¹</u>	<u>Target Net Annual Series 2020 Assessment Per Unit²</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 (net).

² Includes 4% discount for early payment of real estate tax bills, and 2% for collection costs (total of 6%). The collection costs may be increased if the fees charged by the property appraiser and tax collector increase as permitted by Florida law.

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 2020 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 2018 Project and/or Series 2020

Project infrastructure, as reflected in Table 5. On _____, 2020, via Resolution 2020-xx, the District recognized a partial 2020 Contribution of Series 2018 Project infrastructure from the Developer in the amount of \$_____; therefore, the Developer's remaining 2020 Contribution requirement at this time is \$_____. 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 2020 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 2020 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 gross 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	Remaining 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 lands in the 2020 Assessment Area are reflected in the Series 2020 Assessment Roll, attached hereto as Exhibit A.

Exhibit A
 OSCEOLA CHAIN OF LAKES CDD
 Assessment Roll for Series 2020 Bonds

Parcel ID	Owner	Mailing Address	City	State	Zip Code	Land Use Code Description	Location Address	Total Acreage	Maximum Principal	Max Annual Net Assessment *
20-26-31-3443-0001-00N0	Hanover Lakes, LLC	605 Commonwealth Avenue	Orlando	FL	32803	No Ag Acreage Vacant	Wauseon Drive	92.21	\$ 5,890,000.00	\$ 361,535.28
Totals								92.21	\$ 5,890,000.00	\$ 361,535.28

* Amount excludes gross-up for discount for early payment of real estate tax bills and collection costs.

Subsection 6c

Resolution 2020-03

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.

Subsection 6c(i)

Bond Purchase
Agreement

**OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT
(Osceola County, Florida)**

**\$(PAR)
Capital Improvement Revenue Bonds,
Series 2020**

[BPA Date], 2020

BOND PURCHASE AGREEMENT

Osceola Chain of Lakes Community Development District
Osceola County, Florida

Ladies and Gentlemen:

MBS Capital Markets, LLC (the “Underwriter”) offers to enter into this Bond Purchase Agreement with the Osceola Chain of Lakes Community Development District (the “District” or the “Issuer”). This offer is made subject to written acceptance hereof by the Issuer at or before 12:00 midnight, New York time, on the date hereof. If not so accepted, this offer will be subject to withdrawal by the Underwriter upon written notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer.

1. Purchase and Sale. Upon the terms and conditions and in reliance on the representations, warranties, covenants and agreements set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of the \$(PAR) aggregate principal amount of the Issuer’s Capital Improvement Revenue Bonds, Series 2020 (the “Series 2020 Bonds”). The Series 2020 Bonds shall be dated as of the date of their delivery and shall be payable on the dates and principal amounts, bear such rates of interest and be subject to redemption, all as set forth in Exhibit A attached hereto. Interest on the Series 2020 Bonds is payable semi-annually on May 1 and November 1 each year, commencing November 1, 2020. The purchase price for the Series 2020 Bonds shall be \$2,146,095.20 (representing the par amount of the Series 2020 Bonds of \$(PAR).00, less original issue discount/[Plus OIP] in the amount of \$[] less an Underwriter’s discount of \$[]). The disclosure statement required by Section 218.385, Florida Statutes, is attached hereto as Exhibit B. Capitalized terms that are not defined herein shall have the meaning ascribed to such term in the Limited Offering Memorandum or the Indenture, as applicable, each as defined herein.

2. The Series 2020 Bonds. The Series 2020 Bonds are authorized and issued pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, and any successor statute thereto, the Florida Constitution, and other applicable provisions of law (collectively, the “Act”), and Ordinance No. 2017-78 which became effective on October 3, 2017, as amended by Ordinance No. 2017-93, which became effective on November 15, 2017, and both of which were enacted by the Board of County Commissioners of Osceola County, Florida (the “Commission”). The District was established for the purposes, among other things, of financing, acquiring or constructing, maintaining and operating a portion of the infrastructure necessary for community development within the boundary of the District (the “Development”). The Series 2020 Bonds are being issued pursuant to the Act and a Master Trust Indenture, dated as of March 1, 2018 (the “Master Indenture”), as supplemented by a Second Supplemental Trust Indenture dated as of February 1, 2020 (the “Second Supplement” and, together with the Master Indenture, the “Indenture”) each by and between the District and U.S. Bank National

Association, as trustee (the “Trustee”), and Resolution No. 2018-25 adopted by the District on November 1, 2017, and Resolution No. 2020-[] adopted by the Board on January 8, 2020 (collectively, the “Bond Resolutions”) authorizing the issuance of the Series 2020 Bonds. The Series 2020 Assessments comprising the Series 2020 Pledged Revenues will be levied by the Issuer on lands within the District specially benefited by the Series 2020 Project pursuant to Resolution No. 2018-26, Resolution No. 2018-27 and Resolution No. 2018-33 adopted by the Board on November 1, 2017, November 1, 2017, and January 3, 2018, respectively, and Resolution No. 2020-[] to be adopted by the District on [], (collectively, the “Assessment Resolutions”). The Series 2020 Bonds shall be as described in, and shall be issued and secured pursuant to, the provisions of the Indenture. The Issuer has also entered into, or will enter into at or prior to Closing (hereinafter defined): (a) a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) with Hanover Lakes, LLC (the “Developer”) and Moyer Management Group, Inc., as dissemination agent; (b) the Agreement between the District and the Developer Regarding True-Up and Payment of Series 2020 Assessments (the “True-Up Agreement”); (c) the Agreement between the District and the Developer Regarding the Acquisition of Certain Work Product, Infrastructure and Real Property (the “Acquisition Agreement”); (d) the Collateral Assignment and Assumption of Development and Contract Rights between the District and the Developer (the “Collateral Assignment”) (e) the Agreement between the District and the Developer regarding the Completion of Certain Improvements Relating to the Master Project and Acknowledgment of Contribution Requirement (the “Completion Agreement”), (f) the Contribution Agreement by and between the District and the Developer (the “Contribution Agreement”), and (e) this Bond Purchase Agreement. For purposes hereof, this Bond Purchase Agreement, the Indenture, the Continuing Disclosure Agreement, the True-Up Agreement, the Collateral Assignment, the Completion Agreement, the Contribution Agreement, and the Acquisition Agreement are referred to herein collectively as the “Financing Documents.”

The Series 2020 Bonds are being issued to: (i) finance all or a portion of the construction, acquisition, equipping and/or improvement of the Series 2020 Project as defined herein; (ii) pay capitalized interest on such Series 2020 Bonds through November 1, 2020, (iii) fund the Series 2020 Reserve Account established for such Series 2020 Bonds in an amount equal to the Series 2020 Reserve Account Requirement; and (iv) pay certain costs associated with the issuance of such Series 2020 Bonds.

The principal and interest on the Series 2020 Bonds are payable from and secured by the Series 2020 Trust Estate, which includes the Series 2020 Pledged Revenues and the Series 2020 Pledged Funds. The Series 2020 Pledged Revenues consist primarily of the revenues derived by the District from assessments levied and collected by the District with respect to property specially benefited by the Series 2020 Project and the Series 2020 Pledged Funds consists of the Funds and Accounts (except for the Series 2020 Rebate Account) established and held under the Indenture.

3. Delivery of Limited Offering Memorandum and Other Documents.

(a) Prior to the date hereof, the Issuer provided to the Underwriter for its review the Preliminary Limited Offering Memorandum dated [PLOM Date], 2020 (the “Preliminary Limited Offering Memorandum”), that the Issuer deemed final as of its date, except for certain permitted omissions (the “permitted omissions”), as contemplated by Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”) in connection with the pricing of the Series 2020 Bonds. The Issuer hereby confirms that the Preliminary Limited Offering Memorandum was deemed final as of its date, except for the permitted omissions.

(b) The Issuer shall deliver, or cause to be delivered, at its expense, to the Underwriter within seven (7) business days after the date hereof or use good faith to deliver within such shorter period as may be requested by the Underwriter and at least three (3) business days prior to the date the Series 2020 Bonds are delivered to the Underwriter, or within such other period as the Underwriter may inform the Issuer

which is necessary for the Underwriter to comply with regulations of the Municipal Securities Rulemaking Board ("MSRB") in order to accompany any confirmation that requests payment from any customer sufficient copies of the final Limited Offering Memorandum ("Limited Offering Memorandum") to enable the Underwriter to fulfill its obligations pursuant to the securities laws of Florida and the United States, in form and substance satisfactory to the Underwriter. In determining whether the number of copies to be delivered by the Issuer are reasonably necessary, at a minimum, the number shall be determined by the Underwriter and conveyed to the Issuer as shall be sufficient to enable the Underwriter to comply with the requirements of the Rule, all applicable rules of the MSRB, and to fulfill its duties and responsibilities under Florida and federal securities laws generally.

The Underwriter agrees to file the Limited Offering Memorandum in accordance with applicable MSRB rules.

The Issuer authorizes, or ratifies as the case may be, the use and distribution of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum in connection with the limited public offering and sale of the Series 2020 Bonds. The Underwriter agrees that it will not confirm the sale of any Series 2020 Bonds unless the confirmation of sale requesting payment is accompanied or preceded by the delivery of a copy of the Limited Offering Memorandum.

(c) From the date hereof until the earlier of (i) ninety (90) days from the "end of the underwriting period" (as defined in the Rule), or (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB (but in no case less than twenty-five (25) days following the end of the underwriting period), if the Issuer has knowledge of the occurrence of any event which may make it necessary to amend or supplement the Limited Offering Memorandum in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer shall notify the Underwriter and if, in the reasonable opinion of the Issuer or the reasonable opinion of the Underwriter, such event requires the preparation and publication of an amendment or supplement to the Limited Offering Memorandum, the Issuer, at its expense (unless such event was caused by the Underwriter), shall promptly prepare an appropriate amendment or supplement thereto (and file or cause, to be filed, the same with the MSRB, and mail such amendment or supplement to each record owner of Series 2020 Bonds) so that the statements in the Limited Offering Memorandum as so amended or supplemented will not, in light of the circumstances under which they were made, be misleading, in a form and in a manner reasonably approved by the Underwriter. The Issuer will promptly notify the Underwriter of the occurrence of any event of which it has knowledge, which, in its opinion, is an event described in the preceding sentence. The amendments or supplements that may be authorized for use with respect to the Series 2020 Bonds are hereinafter included within the term "Limited Offering Memorandum."

4. Authority of the Underwriter. The Underwriter is duly authorized to execute this Bond Purchase Agreement and to perform its obligations hereunder. The Underwriter hereby represents that neither it nor any "person" or "affiliate" has been on the "convicted vendor list" during the past thirty-six (36) months, as all such terms are defined in Section 287.133, Florida Statutes, as amended.

5. Offering and Sale of Bonds; Establishment of Issue Price. It shall be a condition to the District's obligation to sell and to deliver the Series 2020 Bonds to the Underwriter, and to the Underwriter's obligation to purchase, accept delivery of and pay for the Series 2020 Bonds, that the entire principal amount of the Series 2020 Bonds be issued, sold and delivered by the District and purchased, accepted and paid for by the Underwriter at the Closing and that the District and the Underwriter receive the opinions, documents and certificates described in Section 8(c) hereof.

(a) The Underwriter agrees to assist the District in establishing the issue price of the Series 2020 Bonds and shall execute and deliver to the District at Closing an "issue price" or similar

certificate, together with the supporting pricing wires or equivalent communications, in the form reasonably satisfactory to Bond Counsel, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2020 Bonds.

(b) Except as otherwise set forth in Exhibit B attached hereto, the District will treat the first price at which 10% of each maturity of the Series 2020 Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the District the price or prices at which it has sold to the public each maturity of the Series 2020 Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2020 Bonds, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Series 2020 Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined below) has occurred, until the 10% test has been satisfied as to the Series 2020 Bonds of that maturity or until all Series 2020 Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Series 2020 Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit B attached hereto, except as otherwise set forth therein. Exhibit B also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Series 2020 Bonds for which the 10% test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2020 Bonds, the Underwriter will neither offer nor sell unsold Series 2020 Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the Underwriter has sold at least 10% of that maturity of the Series 2020 Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the District when it has sold 10% of that maturity of the Series 2020 Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Underwriter acknowledges that sales of any Series 2020 Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(1) "public" means any person other than an underwriter or a related party, and

(2) a purchaser of any of the Series 2020 Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both

entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(3) "sale date" means the date of execution of this Purchase Contract is executed by all parties.

6. Issuer Representations, Warranties, Covenants and Agreements. The Issuer represents and warrants to and covenants and agrees with the Underwriter that, as of the date hereof and as of the date of the Closing (hereinafter defined):

(a) The District is a local unit of special purpose government, duly organized and established and validly existing under the Act and the Constitution and laws of the State of Florida, with full legal right, power and authority to: (i) adopt the Bond Resolutions and the Assessment Resolutions; (ii) enter into the Financing Documents; (iii) sell, issue and deliver the Series 2020 Bonds to the Underwriter as provided herein; (iv) apply the proceeds of the sale of the Series 2020 Bonds for the purposes described in the Limited Offering Memorandum; (v) authorize the distribution of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum; (vi) carry out and consummate the transactions contemplated by the Bond Resolutions, the Assessment Resolutions, the Financing Documents and the Limited Offering Memorandum; (vii) undertake the completion or acquisition of the Series 2020 Project; and (viii) levy and collect the Series 2020 Assessments that will secure the Series 2020 Bonds. The Issuer has complied, and at Closing will be in compliance in all respects, with the terms of the Act and with the obligations on its part contained in the Financing Documents and the Series 2020 Bonds.

(b) The District has complied with the Bond Resolutions, the Assessment Resolutions, the Act, and the Constitution and laws of the State of Florida in all matters relating to the Financing Documents and the Series 2020 Bonds, and the imposition, levy and collection of the Series 2020 Assessments.

(c) The District has duly authorized and approved (1) the execution and delivery, or adoption, as the case may be, and performance of the Financing Documents, the Series 2020 Assessments and the Series 2020 Bonds, (2) the use and distribution of the Preliminary Limited Offering Memorandum and the delivery and distribution of the Limited Offering Memorandum, and (3) the taking of any and all such action as may be required on the part of the District to carry out, give effect to and consummate the transactions contemplated by the Financing Documents, the Series 2020 Assessments, the Series 2020 Bonds and the Limited Offering Memorandum.

(d) Each of the Financing Documents constitutes a legally valid and binding obligation of the District enforceable in accordance with its terms, and, upon due authorization, execution and delivery hereof and thereof by the parties hereto and thereto, will constitute a legal, valid and binding obligation of the District enforceable in accordance with its terms.

(e) When delivered to and paid for by the Underwriter at Closing in accordance with the provisions of this Bond Purchase Agreement, the Series 2020 Bonds will have been duly authorized, executed, authenticated, issued and delivered and will constitute legal, valid and binding special obligations of the District, conforming to the Act, and entitled to the benefit and security of the Indenture.

(f) Upon the execution, authentication, issuance and delivery of the Series 2020 Bonds as aforesaid, the Indenture will provide, for the benefit of the holders from time to time of the Series 2020 Bonds, a legally valid and binding pledge of and a security interest in and to the Series 2020 Trust Estate pledged to the Series 2020 Bonds, subject only to the provisions of the Indenture permitting the application of such Series 2020 Trust Estate for the purposes and on the terms and conditions set forth in the Indenture.

(g) Other than any approvals that might be required under the securities laws of any state, no approval, permit, consent or authorization of, or registration or filing with, any governmental or public agency or authority or any other entity not already obtained or made, or to be made simultaneously with the issuance of the Series 2020 Bonds, is required to be obtained by the District in connection with the issuance and sale of the Series 2020 Bonds, or the execution and delivery by the District of, or the due performance of its obligations under the Financing Documents and the Series 2020 Bonds, and any such approvals, permits, consents or authorizations so obtained are in full force and effect.

(h) The District is not in breach of or in default under any applicable constitutional provision, law or administrative regulation of the State of Florida or the United States, the Financing Documents, the Series 2020 Bonds or any applicable judgment or decree or any other loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, that could have a materially adverse effect on the business or operations of the District, and the District has not received notice of any event of default by the District under any such instrument.

(i) The execution and delivery by the District of the Financing Documents, the Series 2020 Bonds and any other instrument to which the District is a party and which is used or contemplated for use in conjunction with the transactions contemplated by the Financing Documents, the Series 2020 Bonds or the Limited Offering Memorandum, and the compliance with the provisions of each such instrument and the consummation of any transactions contemplated hereby and thereby, will not conflict with or constitute a breach of, or default under any indenture, contract, agreement, or other instrument to which the District is a party or by which it is bound, or to the best of its knowledge under any provision of the Constitution of the State of Florida or any existing law, rule, regulation, ordinance, judgment, order or decree to which the District (or any of its supervisors or officers in their respective capacities as such) or its properties is subject.

(j) Except as disclosed in the Limited Offering Memorandum, there is no action, suit, hearing, inquiry or investigation, at law or in equity, before or by any court, public board, agency or body, pending or, to the best knowledge of the District, threatened against or affecting the District or any of its supervisors in their respective capacities as such, in which an unfavorable decision, ruling or finding would, in any material way, adversely affect (1) the transactions contemplated by the Financing Documents, the Series 2020 Bonds or the proceedings relating to the Series 2020 Assessments, (2) the organization, existence or powers of the District or any of its supervisors or officers in their respective capacities as such, (3) the business, properties or assets or the condition, financial or otherwise, of the District, (4) the validity or enforceability of the Series 2020 Bonds, the Financing Documents, the Series 2020 Assessments or any other agreement or instrument to which the District is a party and which is used or contemplated for use in the transactions contemplated hereby or by the Indenture, (5) the exclusion from gross income for federal income tax purposes of the interest on the Series 2020 Bonds, (6) the exemption under the Act of the Series 2020 Bonds and the interest thereon from taxation imposed by the State of Florida, (7) the legality of investment in the Series 2020 Bonds for certain investors as provided in the Act, (8) the issuance, sale or delivery of the Series 2020 Bonds, or (9) the collection of the Series 2020 Assessments and the pledge thereof under the Indenture to pay the principal or premium, if any, or interest on the Series 2020 Bonds.

(k) The District has not issued, assumed or guaranteed any indebtedness, incurred any material liabilities, direct or contingent, or entered into any contract or arrangement of any kind payable from or

secured by a pledge of the Series 2020 Trust Estate pledged to the Series 2020 Bonds with a lien thereon prior to or on a parity with the lien of the Series 2020 Bonds.

(l) Between the date of this Bond Purchase Agreement and the date of Closing, the District will not, without the prior written consent of the Underwriter, incur any material liabilities, direct or contingent, nor will there be any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the District, other than (1) as contemplated by the Limited Offering Memorandum, or (2) in the ordinary course of business.

(m) Any certificates signed by any official of the District authorized to do so shall be deemed a representation and warranty by the District to the Underwriter as to the statements made therein.

(n) No representation or warranty by the District in this Bond Purchase Agreement nor any statement, certificate, document or exhibit furnished to or to be furnished by the District pursuant to this Bond Purchase Agreement or the Limited Offering Memorandum or in connection with the transactions contemplated hereby contains or will contain on the date of Closing any untrue statement of a material fact or omits or will omit a material fact necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, provided, however, that no representation is made with respect to information concerning The Depository Trust Company or the Underwriter or concerning information in the Limited Offering Memorandum under the captions "SUITABILITY FOR INVESTMENT;" "THE DISTRICT - The District Manager and Other Consultants;" "THE DEVELOPER," "THE DEVELOPMENT," "DESCRIPTION OF THE SERIES 2020 BONDS – Book-Entry Only System;" "TAX MATTERS," "LITIGATION – The Developer," with respect to the Developer as set forth under the caption "CONTINUING DISCLOSURE," and "UNDERWRITING."

(o) The District is not in default and has not been in default at any time after December 31, 1975 as to principal or interest with respect to any obligations issued or guaranteed by the District.

7. The Closing. At 12:00 noon, New York time, on [Closing Date], 2020, or at such earlier or later time or date to which the Issuer and the Underwriter may mutually agree, the Issuer will, subject to the terms and conditions hereof, deliver the Series 2020 Bonds to the Underwriter in full book-entry form, duly executed, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the aggregate purchase price of the Series 2020 Bonds as set forth in Paragraph 1 hereof (such delivery of and payment for the Series 2020 Bonds is herein called the "Closing"). The Issuer shall cause CUSIP identification numbers to be printed on the Series 2020 Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and pay for the Series 2020 Bonds in accordance with the terms of this Bond Purchase Agreement. The Closing shall occur at the offices of the Issuer, or such other place to which the Issuer and the Underwriter shall have mutually agreed. The Series 2020 Bonds shall be prepared and delivered as fully registered bonds in such authorized denominations and registered in full book-entry form in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") and shall be delivered to DTC during the business day prior to the Closing for purposes of inspection, unless the DTC "F.A.S.T." procedure is used which requires the Bond Registrar to retain possession of the Series 2020 Bonds.

8. Closing Conditions. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations, warranties and agreements of the District contained herein and contained in the documents and instruments delivered at the Closing, and upon the performance by the District of its obligations hereunder, as of the date of the Closing. Accordingly, the Underwriter's obligations under this Bond Purchase Agreement to cause the purchase, acceptance of delivery and payment for the Series 2020 Bonds shall be subject to the performance by the District of its obligations to be performed hereunder and

under such documents and instruments at or prior to the Closing, and shall also be subject to the following conditions:

(a) The representations and warranties of the District contained herein shall be true, complete and correct on and as of the date of the Closing, the statements made in all certificates and other documents delivered to the Underwriter at the Closing shall be true, complete and correct as of the date of Closing, and the District shall be in compliance with each of the agreements made by it in this Bond Purchase Agreement and the Indenture as of the date of Closing;

(b) At the Closing, (1) the Financing Documents, the Bond Resolutions and the Assessment Resolutions shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and the District shall have adopted and there shall be in full force and effect such additional agreements therewith and in connection with the issuance of the Series 2020 Bonds all such action as in the reasonable opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, (2) the Limited Offering Memorandum shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, (3) there shall not have occurred any event that causes the Limited Offering Memorandum or any amendment or supplement thereto to contain an untrue or misleading statement of fact that in the opinion of the Underwriter or its counsel is material or omits to state a fact that in the opinion of the Underwriter or its counsel is material and necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (4) the District shall perform or shall have performed all of its obligations under or specified in the Financing Documents to be performed at or prior to the Closing, and (5) the Series 2020 Bonds shall have been duly authorized, executed, authenticated and delivered;

(c) At or prior to the Closing, the Underwriter shall have received executed or certified copies of the following documents:

(1) Certificates, dated the date of Closing regarding the Limited Offering Memorandum and no default;

(2) The Bond Resolutions and the Assessment Resolutions, certified by authorized officers of the District under its seal as true and correct copies and as having been adopted with only such amendments, modifications or supplements as may have been approved by the Underwriter;

(3) The Master Indenture and the Second Supplement and the proceedings relating to the levy of the Series 2020 Assessments, certified by authorized officers of the District as true and correct copies;

(4) The Limited Offering Memorandum, and each supplement or amendment, if any, thereto;

(5) A certificate of the District, dated the date of Closing, signed on its behalf by the Chairman or Vice Chairman and the Secretary or an Assistant Secretary of its Board of Supervisors, in substantially the form of Exhibit C hereto;

(6) An opinion, dated the date of Closing, of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, substantially in the form attached as an Appendix to the Limited Offering Memorandum;

(7) A supplemental opinion, dated the date of Closing, of Bond Counsel to the effect that (i) the Underwriter may rely on the approving opinion of Bond Counsel as though such opinion were addressed to them; (ii) the Series 2020 Bonds are exempt securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended (the “1933 Act”), and Section 304(a)(4) of the Trust Indenture Act of 1939, as amended (the “1939 Act”) and it is not necessary in connection with the sale of the Series 2020 Bonds to the public to register the Series 2020 Bonds under the 1933 Act, or to qualify the Indenture under the 1939 Act; and (iii) Bond Counsel has reviewed the statements contained in the Limited Offering Memorandum under the sections captioned “DESCRIPTION OF THE SERIES 2020 BONDS” (other than the portion thereof captioned “Book-Entry Only System” and other than any information therein relating to DTC or the book-entry system, as to which no opinion is expressed) and “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020 BONDS” (excluding the subheadings entitled “Agreement for Assignment of Development Rights,” “True-Up Agreement,” and “Completion Agreement,” as to which no opinion is expressed) and is of the opinion that insofar as such statements purport to summarize certain provisions of the Series 2020 Bonds and the Indenture, that such statements fairly represent the documents purported to be summarized therein. Bond Counsel has also reviewed the statements contained in the Limited Offering Memorandum under the section captioned “TAX MATTERS” and is of the opinion that insofar as such section purports to summarize the provisions of the Internal Revenue Code of 1986 as amended, and applicable laws of the State of Florida, such statements are correct as to matters of law;

(8) An opinion, dated the date of Closing, of Hopping, Green & Sams, P.A., Tallahassee, Florida, District Counsel, in substantially the form attached hereto as Exhibit D;

(9) A copy of the Master Assessment Report and final Supplemental Assessment Report, each prepared by Moyer Management Group, Inc. and a certificate from such firm in substantially the form attached hereto as Exhibit E;

(10) An opinion, dated the date of Closing, of Aponte & Associates Law Firm, P.L.L.C., Orlando, Florida, counsel to the Underwriter (the “Underwriter’s Counsel”), in form and substance satisfactory to the Underwriter;

(11) An opinion, dated the date of Closing and addressed to the Underwriter, the Issuer and Bond Counsel, of counsel to the Trustee, in form and substance acceptable to the Underwriter and Issuer and a customary authorization and incumbency certificate, dated the date of Closing, signed by authorized officers of the Trustee;

(12) A certificate of the Developer, in substantially the form of the certificate included herein as Exhibit F and opinion(s) of counsel to the Developer in substantially the form included herein as Exhibit G (which may be addressed to such parties listed in Exhibit G in one or more separate opinions);

(13) Copies of the Master Engineer’s Report and 2020 Supplemental Engineer’s Report of Dewberry Engineers Inc. (the “Consulting Engineer”) and a certificate from the Consulting Engineer, in substantially the form attached hereto as Exhibit H dated the date of Closing and addressed to the Issuer and the Underwriter;

(14) A certificate, dated the date of Closing, of the authorized officers of the District to the effect that, on the basis of the facts, estimates and circumstances in effect on the date of Closing, it is not expected that the proceeds of the Series 2020 Bonds will be used in a manner that would

cause the Series 2020 Bonds to be “arbitrage bonds” within the meaning of Section 148 of Internal Revenue Code of 1986, as amended;

(15) Specimen Bonds;

(16) A copy of the executed Letter of Representations between the District and The Depository Trust Company, New York, New York;

(17) Executed Financing Documents;

(18) A certificate executed by the District Manager that all resolutions required to be published by Florida law have been published in accordance with the requirements of Florida law;

(19) Evidence of compliance with the requirements of Section 189.051, Florida Statutes;

(20) Declaration of Consent of Developer;

(21) [Tri-Party Agreement Relating to Consent to Jurisdiction, Imposition of Special Assessments, and Subordination of Interests among the District, the Developer, and Regions Bank;

(22) Mortgagee Special Assessment Acknowledgment]; and

(23) Such additional legal opinions, certificates (including such certificates as may be required by regulations of the Internal Revenue Service (the “IRS”) in order to establish the tax exempt character of the Series 2020 Bonds, which certificates shall be satisfactory in form and substance to Bond Counsel), and other evidence as the Underwriter, Bond Counsel or Underwriter’s Counsel may deem necessary to evidence the truth and accuracy as of the Closing of the representations and warranties of the District herein contained and of the information contained in the Limited Offering Memorandum and the due performance and satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by it.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Bond Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance as set forth herein or as described herein or as otherwise satisfactory to the Underwriter. Receipt of, and payments for, the Series 2020 Bonds shall constitute evidence of the satisfactory nature of such as to the Underwriter. The performance of any and all obligations of the District hereunder and the performance of any and all conditions herein for the benefit of the Underwriter may be waived by the Underwriter in their sole discretion.

If the District shall be unable to satisfy the conditions to the obligations of the Underwriter to cause the purchase, acceptance, delivery and payment for the Series 2020 Bonds contained in this Bond Purchase Agreement, or if the obligations of the Underwriter to cause the purchase, acceptance of delivery and payment of the Series 2020 Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate, and neither the Underwriter nor the District shall be under further obligation hereunder, but the respective obligations of the Underwriter and the District set forth in Section 10 hereof shall continue in full force and effect.

9. Termination. The Underwriter may terminate this Bond Purchase Agreement by written notice to the Issuer in the event that between the date hereof and the Closing:

(a) the marketability of the Series 2020 Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation (other than any actions taken by either House of Congress on or prior to the date hereof) (i) enacted or adopted by the United States, (ii) recommended to the Congress or otherwise endorsed for passage, by press release, other form of notice or otherwise, by the President of the United States, the Chair or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, the Treasury Department of the United States or the IRS, or (iii) favorably reported out of the appropriate Committee for passage to either House of the Congress by any full Committee of such House to which such legislation has been referred for consideration, or by any decision of any court of the United States or by any order, rule or regulation (final, temporary or proposed) on behalf of the Treasury Department of the United States, the IRS or any other authority or regulatory body of the United States, or by a release or announcement or communication issued or sent by the Treasury Department or the IRS of the United States, or any comparable legislative, judicial or administrative development affecting the federal tax status of the Issuer, its property or income, obligations of the general character of the Series 2020 Bonds, as contemplated hereby, or the interest thereon; or

(b) any legislation, rule, or regulations shall be introduced in, or be enacted or adopted in the State of Florida, or a decision by any court of competent jurisdiction within the State of Florida shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2020 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2020 Bonds to be purchased by them; or

(c) any amendment to the Limited Offering Memorandum is proposed by the Issuer or deemed necessary by Bond Counsel, or the Underwriter which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2020 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2020 Bonds to be purchased by them; or

(d) there shall have occurred any outbreak or escalation of hostility, declaration by the United States of a national emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the sole judgment of the Underwriter, impractical or inadvisable to proceed with the offering or delivery of the Series 2020 Bonds as contemplated by the Limited Offering Memorandum (exclusive of any amendment or supplement thereto); or

(e) legislation shall be enacted or adopted, or any action shall be taken by, or on behalf of, the Securities and Exchange Commission which, in the reasonable opinion of Bond Counsel, has the effect of requiring the contemplated distribution of the Series 2020 Bonds to be registered under the Securities Act of 1933, as amended, or the Indenture to be qualified under the Trust Indenture Act of 1939, as amended, or any laws analogous thereto relating to governmental bodies, and compliance therewith cannot be accomplished prior to the Closing; or

(f) legislation shall be introduced by amendment or otherwise in or be enacted by, the House of Representatives or the Senate of the Congress of the United States, or a decision by a Court of the United States of America shall be rendered, or a stop order, ruling, release, regulation, Limited Offering Memorandum or no-action letter by or on behalf of the Securities and Exchange Commission or any other governmental authority having jurisdiction of the subject matter of the Series 2020 Bonds shall have been proposed, issued or made (which is beyond the control of the Underwriter or the Issuer to prevent or avoid) to the effect that the issuance, offering or sale of the Series 2020 Bonds as contemplated hereby or by the Limited Offering Memorandum, or any document relating to the issuance, offering or sale of the Series 2020 Bonds is or would be in violation of any of the federal securities laws at Closing, including the Securities Act of 1933, as amended and then in effect, the Securities Exchange Act of 1934, as amended

and then in effect, or the Trust Indenture Act of 1939, as amended and then in effect, or with the purpose or effect of otherwise prohibiting the offering and sale of obligations of the general character of the Series 2020 Bonds, or the Series 2020 Bonds, as contemplated hereby; or

(g) there shall have occurred, after the signing hereof, either a financial crisis or a default with respect to the debt obligations of the Issuer or proceedings under the federal or State of Florida bankruptcy laws shall have been instituted by the Issuer, in either case the effect of which, in the reasonable judgment of the Underwriter, is such as to materially and adversely affect (i) the market price or the marketability of the Series 2020 Bonds, or (ii) the ability of the Underwriter to enforce contracts for the sale of the Series 2020 Bonds; or

(h) a general banking moratorium shall have been declared by the United States, New York or Florida authorities, which in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2020 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2020 Bonds to be purchased by them; or

(i) any national securities exchange, or any governmental authority, shall impose, as to the Series 2020 Bonds or obligations of the general character of the Series 2020 Bonds any material restrictions not now in force, or increase materially those now in force, with respect to the establishment of material restrictions upon trading of securities, including limited or minimum prices, by any governmental authority or by any national securities exchange, which in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2020 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2020 Bonds to be purchased by it; or

(j) legal action shall have been filed against the Issuer wherein an adverse ruling would materially adversely affect the transactions contemplated hereby or by the Limited Offering Memorandum or the validity of the Series 2020 Bonds, the Bond Resolutions, the Assessment Resolutions, the Indenture, the Continuing Disclosure Agreement or this Bond Purchase Agreement; provided, however, that as to any such litigation, the Issuer may request and the Underwriter may accept an opinion by Bond Counsel, or of other counsel acceptable to the Underwriter, that in such counsel's opinion the issues raised by any such litigation or proceeding are without substance or that the contentions of any plaintiffs therein are without merit; or

(k) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the Issuer's obligations; or

(l) any information shall have become known which, in the Underwriter's reasonable opinion, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Limited Offering Memorandum, as the information contained therein has been supplemented or amended by other information, or causes the Limited Offering Memorandum, as so supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading and upon the receipt of notice of same by the Issuer, the Issuer fails to promptly amend or supplement the Limited Offering Memorandum; or

(m) an event occurs as a result of which the Limited Offering Memorandum, as then amended or supplemented, would include an untrue statement of a material fact or omit to state any material fact which is necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading which, in the reasonable opinion of the Underwriter, requires an amendment or supplement to the Limited Offering Memorandum and, in the

reasonable opinion of the Underwriter, materially adversely affects the marketability of the Series 2020 Bonds or the contemplated offering prices thereof and upon the receipt of notice by the Issuer, the Issuer fails to promptly amend or supplement the Limited Offering Memorandum.

(n) the IRS makes a determination with respect to any special purpose development district formed under State law (referred to herein as a “Special District”) deeming that all or certain of such Special Districts are not a “political subdivision” for purposes of Section 103(a) of the Code, and such determination, in the reasonable opinion of the Underwriter, materially adversely affects the federal tax status of the District, the tax exempt character or marketability of the Series 2020 Bonds or the contemplated offering prices thereof.

10. Expenses.

(a) The District agrees to pay from the proceeds of the Series 2020 Bonds, and the Underwriter shall be under no obligation to pay, all expenses incident to the performance of the District’s obligations hereunder, including but not limited to (1) the cost of the preparation, printing or other reproduction (for distribution prior to, on or after the date of acceptance of this Bond Purchase Agreement) of a reasonable number of copies of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum; (2) the fees and disbursements of Bond Counsel, District Counsel, Moyer Management Group, Inc., as Assessment Consultant, Dewberry Engineers Inc., as Consulting Engineer, and any other experts or consultants retained by the District, including, but not limited to, the fees and expenses of the District Manager; (3) the fees and disbursements of Underwriter’s counsel; (4) the fees and disbursements of the Trustee, Bond Registrar and Paying Agent under the Indenture; and (5) out-of-pocket expenses of the District.

(b) The Underwriter shall pay (1) the cost of qualifying the Series 2020 Bonds for sale in various states chosen by the Underwriter and the cost of preparing or printing any Blue Sky and legal investment memoranda to be used in connection with such sale; and (2) out-of-pocket expenses, including advertising, incurred by them in connection with their offering and distribution of the Series 2020 Bonds.

(c) In the event that either the District or the Underwriter shall have paid obligations of the other as set forth in this Section, adjustment shall be made at or prior to Closing.

11. No Advisory or Fiduciary Role. The District acknowledges and agrees that (i) the purchase and sale of the Series 2020 Bonds pursuant to this Bond Purchase Agreement is an arm’s-length commercial transaction between the District and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as an advisor (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd Frank Wall Street Reform and Consumer Protection Act), agent or fiduciary of the District, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the District with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter or any affiliate of the Underwriter has provided other services or is currently providing other services to the District on other matters) and the Underwriter has no obligation to the District with respect to the offering contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the District has consulted its own legal, financial and other advisors to the extent it has deemed appropriate in connection with the offering of the Series 2020 Bonds, (v) the Underwriter has financial and other interests that differ from those of the District, and (vi) the District has received the Underwriter’s G-17 Disclosure Letter.

12. Notices. All notices, demands and formal actions hereunder shall be in writing and mailed, telegraphed or delivered to:

The Underwriter: MBS Capital Markets, LLC
152 Lincoln Avenue
Winter Park, Florida 32789
Attn: Brett Sealy

The District: Osceola Chain of Lakes Community Development District
c/o Moyer Management Group, Inc
313 Campus Street
Celebration, Florida 34747
Attn: Gary Moyer

Copy to: Hopping, Green & Sams, P.A.
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301
Attention: Tucker Mackie, Esq.
Sarah Sandy, Esq.

13. Parties in Interest. This Bond Purchase Agreement is made solely for the benefit of the Issuer and the Underwriter (including the successors or assignees of the Issuer or the Underwriter) and no other party or person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties, covenants and agreements in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriter; (ii) the delivery of and payment for the Series 2020 Bonds pursuant to this Bond Purchase Agreement; or (iii) any termination of this Bond Purchase Agreement but only to the extent provided by the last paragraph of Section 8 hereof.

14. Waiver. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the Issuer hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter, in their sole discretion.

15. Effectiveness. This Bond Purchase Agreement shall become effective upon the execution of the acceptance hereof by the Chair and shall be valid and enforceable at the time of such acceptance.

16. Counterparts. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

17. Headings. The headings of the sections of this Bond Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

18. Florida Law Governs. The validity, interpretation and performance of this Bond Purchase Agreement shall be governed by the laws of the State of Florida.

19. Truth In Bonding Statement. Pursuant to the provisions of Section 218.385(2) and (3), Florida Statutes, as amended, the Underwriter provides the following truth-in-bonding statement:

(a) The Issuer is proposing to issue its \$[PAR] Capital Improvement Revenue Bonds, Series 2020 (the "Series 2020 Bonds") for the purposes listed in Section 2 hereof. This obligation is expected to be repaid from Series 2020 Pledged Revenues and Series 2020 Pledged Funds, as further described herein

(together, the “Series 2020 Trust Estate”) over a period of approximately thirty (30) years. At a true interest cost of approximately []%, total interest paid over the life of the obligations will be \$[].

(b) The source of repayment for the Series 2020 Bonds is the Series 2020 Trust Estate. Authorizing this obligation will result in an average of approximately \$[] not being available to finance other services of the Issuer every year for approximately thirty (30) years.

[Remainder of page intentionally left blank]

21. Entire Agreement. This Bond Purchase Agreement when accepted by you in writing as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the Issuer and the Underwriter (including the successors or assigns of the Issuer or the Underwriter). No other person shall acquire or have any right hereunder or by virtue hereof.

Very truly yours,

MBS CAPITAL MARKETS, LLC

By: _____

Name: Brett Sealy

Title: Managing Partner

Accepted by:

**OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT
DISTRICT**

By: _____

Name:

Title: Chairman, Board of Supervisors

EXHIBIT A

TERMS OF BONDS

1. **Purchase Price:** \$_____ (representing the \$_____ aggregate principal amount of the Series 2019A Bonds [plus/less net original issue premium/discount of \$_____ and] less an underwriter's discount of \$_____)
2. **Principal Amounts, Maturities, Interest Rates and Prices:**

<u>Amount</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Price</u>
\$ _____	_____	_____ %	_____

The Underwriter has offered the Series 2020 Bonds to the public on or before the date of this Purchase Contract at the initial offering prices set forth herein and has sold at least 10% of each maturity of the Series 2019A Bonds to the public at a price that is no higher than such initial offering prices [, except for the following maturities: _____].

REDEMPTION PROVISIONS

Optional Redemption. The Series 2020 Bonds are subject to redemption prior to maturity at the option of the District in whole or in part on any 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.

Mandatory Redemption in Part. The Series 2020 Bonds maturing on May 1, 20____, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2020 Sinking Fund Account established under the Second Supplement in satisfaction of applicable Amortization Installments (as defined in the Second Supplement) at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>Year</u>	<u>Amortization Installments</u>
	\$ _____

*

*Final maturity

The Series 2020 Bonds maturing on May 1, 20____ are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2020 Sinking Fund Account established under the Second Supplement in satisfaction of applicable Amortization Installments (as defined in the Second Supplement) at the Redemption Price of the principal amount thereof, without

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

<u>Year</u>	<u>Amortization Installments</u>
	\$

*

*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 the Series 2020 Bonds. Amortization Installments are subject to recalculation by the District as the result of the 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 the Master Indenture) so as to reamortize the remaining Outstanding principal balance of all terms of the Series 2020 Bonds so that following such recalculation Debt Service Requirements on the Series 2020 Bonds are in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of all the Series 2020 Bonds, commencing, however, no earlier than the May 1, 20[21] Amortization Installment.

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

(a) on or after the Date of Completion of the Series 2020 Project, by application of moneys transferred from the Series 2020 Acquisition and Construction Account in the Acquisition and Construction Fund established under the Indenture to the Series 2020 Prepayment Subaccount of the Series 2020 Redemption Account 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 of the Series 2020 Redemption Account; or

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

(d) on the date on which the amount on deposit in the Series 2020 Reserve Account, together with other moneys 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 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.

EXHIBIT B

**OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT
(Osceola County, Florida)**

**[\$[PAR]
Capital Improvement Revenue Bonds,
Series 2020**

DISCLOSURE STATEMENT

[BPA Date], 2020

Osceola Chain of Lakes Community Development District
Osceola County, Florida

Ladies and Gentlemen:

Pursuant to Section 218.385, Florida Statutes, and with respect to the issuance of the above-referenced bonds (the “Series 2020 Bonds”), MBS Capital Markets, LLC (the “Underwriter”), having purchased the Series 2020 Bonds pursuant to a Bond Purchase Agreement dated [BPA Date], 2020 (the “Purchase Agreement”) between the Underwriter and the Osceola Chain of Lakes Community Development District (the “District”), makes the following disclosures in connection with the limited public offering and sale of the Series 2020 Bonds:

(a) The total underwriting discount paid to the Underwriter pursuant to the Purchase Agreement is \$[] ([]%).

(b) The total amount of expenses estimated to be incurred by the Underwriter in connection with the issuance of the Series 2020 Bonds is \$[]. An itemization of these expenses is attached hereto as Schedule I.

(c) There are no “finders” as such term is used in Sections 218.385 and 218.386, Florida Statutes, in connection with the issuance of the Series 2020 Bonds.

(d) The components of the Underwriter’s discount are as follows:

	<u>Per \$1,000</u>	
Management Fee:		or
Takedown:		or
Expenses:	_____	or _____

(e) There are no other fees, bonuses, or other compensation estimated to be paid by the Underwriter in connection with the Series 2020 Bonds to any person not regularly employed or retained by the Underwriter.

(f) The name and address of the Underwriter is set forth below:

MBS Capital Markets, LLC
152 Lincoln Avenue
Winter Park, Florida 32789

We understand that you do not require any further disclosure from the Underwriter, pursuant to Section 218.385(6), Florida Statutes, as amended.

Very truly yours,

MBS CAPITAL MARKETS, LLC

By: _____
Name: Brett Sealy
Title: Managing Partner

SCHEDULE I

ESTIMATED EXPENSES TO BE INCURRED BY UNDERWRITER

Travel Expenses

Communication

Day Loan

Clearance & Settlement Charges

CUSIP / DTC

Contingency

Total

EXHIBIT C

CERTIFICATE OF DISTRICT

The undersigned, as Chairman and Secretary, respectively, of the Board of Supervisors of the Osceola Chain of Lakes Community Development District (the "District"), a local unit of special-purpose government duly established and validly existing under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes, as amended (the "Act"), hereby certify to MBS Capital Markets, LLC (the "Underwriter") in satisfaction of Section 8(c)(5) of the Bond Purchase Agreement, dated [BPA Date], 2020, with the District (the "Bond Purchase Agreement") in connection with the issuance by the District of \$[PAR] aggregate principal amount of its Capital Improvement Revenue Bonds, Series 2020 (the "Series 2020 Bonds") as follows (terms used and not otherwise defined herein shall have the meaning ascribed to such terms in the Bond Purchase Agreement):

1. Anthony Iorio is the duly appointed and acting Chairman of, and Gary Moyer is a duly appointed and acting Secretary to the Board of Supervisors of the District, authorized by resolution of the Board of Supervisors of the District pursuant to the Act to be custodian of all bonds, documents and papers filed with the District and the official seal of the District.

2. The following named persons are as of the date hereof the duly elected, qualified and acting members of the Board of Supervisors of the District:

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Anthony Iorio*	Chairman	November 2022
Ryan Kahn*	Vice Chairman	November 2022
Kimberly Locher	Assistant Secretary	November 2020
Jason Lonas*	Assistant Secretary	November 2020
Vacant	Assistant Secretary	November 2020

*Employees of the Developer.

3. The following named persons are the only designated, elected or appointed, qualified and acting officers of the District, holding the office of appointment set forth opposite their names, respectively:

<u>Name</u>	<u>Title</u>
Anthony Iorio*	Chairman
Ryan Kahn*	Vice Chairman
Kimberly Locher	Assistant Secretary
Nihit Patel*	Assistant Secretary
Vacant	Assistant Secretary

*Employees of the Developer or affiliated entity.

Each of said persons since his or her appointment as aforesaid has been and now is the duly designated and qualified officer of the Board of Supervisors of the District holding the office set forth opposite his or her name, if required to file an oath of office, has done so, and if legally required to give a bond or undertaking has filed such bond or undertaking in form and amount required by law.

4. The seal, an impression of which appears below, is the only proper and official seal of the District.

5. The Board of Supervisors of the District, at a duly called and held meetings of the Board of Supervisors of the District on November 1, 2017, and January 8, 2020, duly adopted Resolution No. 2018-25 and Resolution No. 2020-[], respectively, true and correct copies of which are attached hereto (together, the "Bond Resolution"), which Bond Resolution remains in full force and effect on the date hereof.

6. The Board of Supervisors of the District, at duly called and held meetings of the Board of Supervisors of the District on November 1, 2017, November 1, 2017, January 3, 2018, and [], 2020, duly adopted Resolution Nos. 2018-26, Resolution No. 2018-27, Resolution No. 2018-33 and Resolution No. 2020-[], true and correct copies of which are attached hereto (collectively, the "Assessment Resolutions"), which Assessment Resolutions remain in full force and effect on the date hereof.

7. The District has complied with the provisions of Chapters 170, 190 and 197, Florida Statutes related to the imposition, levy, collection and enforcement of the Series 2020 Assessments.

8. Upon 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 Bond Resolution, the Assessment Resolutions or the Indenture.

9. Each of the representations and warranties made by the District in the Bond Purchase Agreement is, to the best of our knowledge and belief, true and accurate on and as of this date.

10. The District has complied with all the agreements and satisfied all the conditions on its part to be complied with on or before the date hereof for delivery of the Series 2020 Bonds pursuant to the Bond Purchase Agreement, the Bond Resolution, the Assessment Resolutions and the Indenture.

11. To the best of our knowledge, since the date of the Limited Offering Memorandum, no material and adverse change has occurred in the business, properties, other assets and financial position of the District or results of operations of the District; and to the best of our knowledge, the District has not, since the date of the Limited Offering Memorandum, incurred any material liabilities other than as set forth in or contemplated by the Limited Offering Memorandum.

12. To the best of our knowledge, the statements appearing in the Limited Offering Memorandum did not as of its date and do not as of the date hereof contain an untrue statement of a material fact or omit to state a material fact required to be included therein or necessary in order to make the statements contained therein, in light of the circumstances in which they were made, not misleading; provided, however, that no representation is made with respect to information concerning The Depository Trust Company or its book-entry only system or concerning information in the Limited Offering Memorandum under the captions "SUITABILITY FOR INVESTMENT;" "THE DISTRICT - The District Manager and Other Consultants;" "THE DEVELOPER," "THE DEVELOPMENT," "DESCRIPTION OF THE SERIES 2020 BONDS – Book-Entry Only System;" "TAX MATTERS," "LITIGATION – The Developer," with respect to the Developer as set forth under the caption "CONTINUING DISCLOSURE," and "UNDERWRITING." Subject to the foregoing limitations, nothing has come to our attention which would lead us to believe that the Limited Offering Memorandum, as of its date or as of the date hereof contained an untrue statement of a material fact, or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made not misleading.

13. Except as set forth in the Limited Offering Memorandum, no litigation or other proceedings are pending or to the knowledge of the District threatened in or before any agency, court or tribunal, state or federal, (a) restraining or enjoining or seeking to restrain or enjoin the issuance, sale, execution or delivery of any of the Series 2020 Bonds or the imposition, levy and collection of the Series 2020 Assessments or the pledge thereof to the payment of the principal of and premium, if any, and interest on the Series 2020 Bonds, (b) questioning or affecting the validity of any provision of the Series 2020 Bonds, the Bond Resolution, the Assessment Resolutions, the Series 2020 Assessments or the Financing Documents, as those documents are defined in the Bond Purchase Agreement, (c) questioning or affecting the validity of any of the proceedings or the authority for the authorization, sale, execution or delivery of the Series 2020 Bonds, (d) questioning or affecting the organization or existence of the District or the title of any of its officers to their respective offices or any powers of the District under the laws of the State of Florida, (e) contesting or affecting the Series 2020 Assessments, (f) contesting the accuracy or completeness of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum or any amendment or supplement thereto, (g) contesting the exclusion of interest on the Series 2020 Bonds from federal income taxation, or (h) contesting the exemption from taxation of either Series of the Series 2020 Bonds and the interest thereon under Florida law or the legality for investment therein.

IN WITNESS WHEREOF, we have hereunder set our hands this [Closing Date], 2020.

(SEAL)

By: _____
Anthony Iorio, Chairman,
Board of Supervisors
Osceola Chain of Lakes Community
Development District

By: _____
Gary Moyer,
Secretary, Board of Supervisors
Osceola Chain of Lakes Community
Development District

EXHIBIT D
FORM OF DISTRICT COUNSEL OPINION

[Closing Date], 2020

Osceola Chain of Lakes Community Development District
Osceola County, Florida

MBS Capital Markets, LLC
Winter Park, Florida

U.S. Bank National Association, as Trustee
Orlando, Florida
(solely for reliance upon Sections C.1., C.2. and C.3.)

Re: \$[PAR] Osceola Chain of Lakes Community Development District (Osceola County,
Florida) Capital Improvement Revenue Bonds, Series 2020

Ladies and Gentlemen:

We serve as counsel to the Osceola Chain of Lakes Community Development District (“**District**”), a local unit of special-purpose government established pursuant to the laws of the State of Florida, in connection with the sale by the District of its \$[PAR] Osceola Chain of Lakes Community Development District (Osceola County, Florida) Capital Improvement Revenue Bonds, Series 2020 (“**Bonds**”). This letter is delivered to you pursuant to Section 207 of the Master Indenture (defined below), Section 207 of the Supplemental Trust Indenture (defined below), and Section 8(c)(8) of the Bond Purchase Contract (referenced below), and is effective as of the date first written above. Each capitalized term not otherwise defined herein has the meaning given it to it in the Indenture (defined herein).

A. DOCUMENTS EXAMINED

In rendering the opinions set forth below, we have examined and/or relied upon the following documents and have made such examination of law as we have deemed necessary or appropriate:

1. Ordinance 2017-78, enacted by the Board of County Commissioners of Osceola County, Florida, which was effective as of October 3, 2017, as amended by Ordinance 2017-93, enacted by the Board of County Commissioners of Osceola County, Florida, which was effective as of November 15, 2017 (collectively, “**Establishment Ordinance**”);
2. the *Master Trust Indenture*, dated as of March 1, 2018 (“**Master Indenture**”), as supplemented by the *Second Supplemental Trust Indenture*, dated as of February 1, 2020 (“**Supplemental Trust Indenture**,” and together with the Master Indenture, “**Indenture**”), each by and between the District and U.S. Bank National Association, as trustee (“**Trustee**”);
3. Resolutions Nos. 2018-25 and 2020-[] adopted by the District on November 1, 2017, and January 8, 2020, respectively (collectively, “**Bond Resolution**”);

4. the *Master Engineer's Report* dated January 3, 2018, and the *Second Supplemental Engineer's Report* dated [] (collectively, "**Engineer's Report**"), which describes among other things, the "**Series 2020 Project**;"
5. *Master Assessment Report* dated January 3, 2018, and the *Second Supplemental Assessment Report* dated _____, 2019 (collectively, "**Assessment Methodology**");
6. Resolution Nos. 2018-26, 2018-27, 2018-33 and 2020-[] (collectively, "**Assessment Resolution**"), establishing the debt service special assessments ("**Debt Assessments**") securing the Bonds;
7. the *Final Judgment* issued on February 5, 2018, and by the Circuit Court for the Ninth Judicial Circuit in and for Osceola County, Florida in Case No. 2017-CA-002907-OC, and Certificate of No Appeal issued on March __, 2018;
8. the Preliminary Limited Offering Memorandum dated [PLOM Date], 2020 ("**PLOM**") and Limited Offering Memorandum dated [BPA Date], 2020 ("**LOM**");
9. certain certifications by MBS Capital Markets, LLC ("**Underwriter**"), as underwriter to the sale of the Bonds;
10. certain certifications of Dewberry Engineers, Inc., as District Engineer;
11. certain certifications of Moyer Management Group, Inc., as District Manager and Assessment Consultant;
12. general and closing certificate of the District;
13. an opinion of Nabors, Giblin & Nickerson, P.A. ("**Bond Counsel**") issued to the District in connection with the sale and issuance of the Bonds;
14. an opinion of Holland & Knight, LLP ("**Trustee Counsel**") issued to the District and Underwriter in connection with the sale and issuance of the Bonds;
15. an opinion of GrayRobinson, P.A., counsel to the Developer (defined herein), issued to the District and the Underwriter in connection with the sale and issuance of the Bonds;
16. the following agreements ("**Bond Agreements**"):
 - (a) the Continuing Disclosure Agreement dated [Closing Date], 2020, by and among the District, Hanover Lakes, LLC ("**Developer**") and a dissemination agent;
 - (b) the Bond Purchase Contract between Underwriter and the District and dated [BPA Date], 2020 ("**BPA**");
 - (c) the Acquisition Agreement (2018 Bonds) between the District and the Developer and dated [Closing Date], 2020;
 - (d) the Completion Agreement (2018 Bonds) between the District and the Developer and dated [Closing Date], 2020;
 - (e) the True-Up Agreement (2018 Bonds) between the District and the Developer and dated [Closing Date], 2020; and
 - (f) the Collateral Assignment and Assumption Agreement (2018 Bonds) between the District and the Developer and dated [Closing Date], 2020;
 - (g) the Contribution Agreement between the District and the Developer dated [Closing Date], 2020;
17. a Declaration of Consent to Jurisdiction executed by the Developer; and
18. such other documents as we have deemed necessary or appropriate in rendering the opinions set forth below.

We have also attended various meetings of the District and have participated in conferences from time to time with representatives of the District, the District Engineer, the District Manager and Assessment Consultant, the Underwriter, Bond Counsel, counsel to the Underwriter, the Developer, counsel to the Developer, and others relative to the Limited Offering Memorandum and the related documents described herein.

B. RELIANCE

This opinion is solely for the benefit of the (i) District; (ii) the Underwriter; and (iii) the Trustee; however, the Trustee may only rely on this opinion for the limited purposes of the opinions stated in Sections C.1., C.2. and C.3. This opinion may not be relied on by any other party or for any other purpose without our prior written consent.

C. OPINIONS

Based on the foregoing, and subject to the qualifications and assumptions set forth herein, we are of the opinion that:

1. **Authority** – Under the Florida Constitution and laws of the State, the District has been duly established and validly exists as a local unit of special purpose government and a community development district under Chapter 190, *Florida Statutes* (the “Act”), with such powers as set forth in the Act, and with good, right and lawful authority: (a) to enter into and to consummate the transactions contemplated by the Bond Resolution, the Assessment Resolution, the Indenture, the Bonds and the Bond Agreements; (b) to issue the Bonds for the purposes for which they are issued; (c) to impose, levy, collect and enforce the Debt Assessments and pledge the Pledged Revenues to secure the Bonds as provided in the Indenture; (d) to adopt the Bond Resolution and the Assessment Resolution; and (e) to perform its obligations under the terms and conditions of the Bond Resolution, the Assessment Resolution, the Bond Agreements, the Bonds and the Indenture.

2. **Assessments** – The proceedings by the District with respect to the Debt Assessments have been in accordance with Florida law. The District has taken all action necessary to levy and impose the Debt Assessments as set forth in the Assessment Resolution, Assessment Methodology, and/or other applicable documents. The Debt Assessments constitute legal, valid, binding and enforceable first liens upon the property against which such Debt Assessments are assessed, co-equal with the lien of all state, county, district and municipal taxes and assessments, and superior in dignity to all other liens, titles and claims, until paid.

3. **Agreements** – The (a) Bond Resolution, (b) Assessment Resolution, (c) Bonds, (d) Indenture, and (e) Bond Agreements (assuming due authorization, execution and delivery of documents (c) – (e) listed herein by any parties thereto other than the District) have been duly and validly authorized, executed and delivered by the District, have been duly approved and adopted and/or issued by the District, are in full force and effect, constitute legal, valid and binding obligations of the District, and are enforceable against the District in accordance with their respective terms. All conditions prescribed in the Indenture as precedent to the issuance of the Bonds have been fulfilled.

4. **Validation** – The Bonds have been validated by a final judgment of the Circuit Court in and for Osceola County, Florida, of which no timely appeal was filed.

5. **Governmental Approvals** –As of the date hereof, all necessary consents, approvals, waivers or other actions by or filings with any governmental authority or other entity that are required for: (a) the adoption of the Bond Resolution and the Assessment Resolution; (b) the issuance, sale, execution and delivery of the Bonds upon the terms set forth in the BPA, PLOM, and LOM; (c) the execution and delivery of the Indenture and Bond Agreements; and (d) the performance by the District of the transactions required hereby, have been duly obtained or made and are in full force and effect.

6. **PLOM and LOM** – The District has duly authorized the execution, delivery and distribution by the Underwriter of the PLOM and LOM. To our knowledge, and based upon our review of

the PLOM and LOM and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the PLOM and LOM, and as of the date of their respective issuances, and with respect to the PLOM, the date of the BPA, and with respect to the LOM, the date hereof, nothing has come to our attention which would lead us to believe that the PLOM and LOM contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, provided however that the opinions stated herein extend only to the following provisions of the PLOM and LOM: "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020 BONDS – Agreement for Assignment of Development Rights, True-Up Agreement, Completion Agreement, and Enforcement of True-Up Agreement and Completion Agreement, Enforcement and Collection of Series 2020 Assessments" "THE SERIES 2020 ASSESSMENTS," "THE DISTRICT" (excluding the subcaptions "District Manager Other Consultants"), "AGREEMENT BY THE STATE," "LITIGATION – The District," "CONTINUING DISCLOSURE" (as it relates to the District only), and "VALIDATION," and further provided however that the opinions stated herein do not extend to any statements that constitute descriptions of the Bonds or the Indenture. No information or opinion is offered as to any remaining provisions of the PLOM or LOM.

7. ***Litigation*** –Based on inquiry of the District's Registered Agent for service of process and the fact that we have not been served with notice, there is no litigation pending or, to the best of our knowledge, threatened against the District: (a) seeking to restrain or enjoin the issuance or delivery of the Bonds or the application of the proceeds thereof, or the imposition, levy or collection of the Debt Assessments or the Pledged Revenues pledged for the payment of the debt service on the Bonds; (b) contesting or affecting the authority for the authority for the Debt Assessments, the authority for the issuance of the Bonds or the validity or enforceability of the Bonds, the Indenture, the Bond Agreements or the transactions contemplated thereunder; (c) contesting or affecting the establishment or existence of the District or any of its Supervisors, officers or employees, its assets, property or condition, financial or otherwise, or contesting or affecting any of the powers of the District, including its power to enter into the Indenture or the Bond Agreements, or its power to determine, assess, levy, collect and pledge the Debt Assessments for the payment of the debt service on the Bonds; or (d) specifically contesting the exclusion from federal gross income of interest on the Bonds.

8. ***Compliance with Laws*** – To the best of our knowledge, the District is not, in any manner material to the issuance of the Bonds or the Debt Assessments, in breach of or default under any applicable provision of the Act or constitutional provision, statute, or administrative regulation of the State of Florida, or any applicable judgment or decree, any loan agreement, indenture, bond, note, resolution, agreement (including the Bond Agreements and Indenture), or any other material instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and to the best of our knowledge, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the District under any such instrument; provided, however, that no opinion is expressed as to compliance with any state or federal tax or securities laws.

9. ***Authority to Undertake the Project*** - The District has good right and lawful authority under the Act to undertake, finance, acquire, construct, own, and operate the Project, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body.

D. CERTAIN ASSUMPTIONS

In rendering the foregoing opinions, we have assumed the following: (1) that all public records, certifications, agreements and other documents examined by us that have been executed or certified by

public officials acting within the scope of their official capacities are authentic, truthful and accurate; (2) that copies of such public records, certifications, agreements, and other documents furnished to us are authentic and conform to the originals; (3) that all signatures on executed public records, certifications, agreements and other documents are genuine; and (4) that all public records, certifications, agreements and other documents have been properly authorized and are binding on each of the other parties thereto. Such assumptions do not apply to District documents.

E. CERTAIN QUALIFICATIONS

The foregoing opinions are subject to the following qualifications:

1. The opinions or statements expressed above are based solely on the laws of Florida in effect at the time of issuance of the Bonds. Accordingly, we express no opinion nor make any statement regarding the effect or application of the laws of the federal government (including but not limited to the Internal Revenue Code or any proposed changes thereto), or any other state or other jurisdiction.

2. Our opinion as to enforceability of any document is subject to limitations imposed by bankruptcy, insolvency, reorganization, moratorium, liquidation, readjustment of debt, or similar laws, relating to or affecting creditors' rights generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and to the exercise of judicial discretion in appropriate cases, including the fact that specific performance and other equitable remedies are granted only in the discretion of a court.

3. Nothing herein shall be construed as an opinion regarding the possible applicability of state securities or "blue sky" laws or federal securities laws, as to which no opinion is expressed.

4. We further express no opinion as to the necessity for an interest rate waiver under Florida law, or the applicability of any provision or section of the Internal Revenue Code.

5. We express no opinion and make no representations with regard to financial information or statistical data. We express no opinion as to compliance with any state or federal tax laws.

6. We have not reviewed, and therefore express no opinion, regarding any land use, real property or other related items, including but not limited to whether the Developer is able to convey good and marketable title to any particular real property or interest therein and related to the Project.

7. With respect to any of the opinions set forth in this letter which are based on or qualified by the phrase "to our knowledge," the words "to our knowledge" signify that, in the course of our representation of the District, no facts have come to our attention that would give us actual knowledge that any such opinions or other matters are not accurate. Except to the extent expressly set forth herein, we have not undertaken any independent investigation to determine the existence or absence of any such facts, and no inference as to our knowledge of the existence of such facts should be drawn from the fact of our representation of District.

8. The opinions set forth herein are based on factual representations made to us as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the courts or any other entity; rather, our opinions represent our professional judgment based on our review of existing law, and in reliance on the representations and covenants that we deem relevant to such opinions.

Very truly yours,

HOPPING GREEN & SAMS, P.A.

For the Firm

EXHIBIT E

CERTIFICATE OF MOYER MANAGEMENT GROUP, INC.

I, Gary Moyer, President of Moyer Management Group, Inc., do hereby certify to the Osceola Chain of Lakes Community Development District (the “District”) and MBS Capital Markets, LLC (the “Underwriter”) in connection with the issuance, sale and delivery by the District on this date of \$[PAR] aggregate principal amount of Capital Improvement Revenue Bonds, Series 2020 (the “Series 2020 Bonds”) as follows (terms used and not otherwise defined herein shall have the meaning ascribed to such term in the Limited Offering Memorandum dated [BPA Date], 2020 (the “Limited Offering Memorandum”) of the District relating to the Series 2020 Bonds):

1. Moyer Management Group, Inc. has acted as District Manager and Assessment Consultant to the District in connection with the issuance of the Series 2020 Bonds and has been retained by the District to prepare the Master Assessment Report dated January 3, 2018, as supplemented by the Second Supplemental Assessment Report dated _____, 2019, comprising a part of the Assessment Proceedings of the District (collectively, the “Report”);

2. the Series 2020 Assessments, as initially levied, and as may be reallocated from time to time as permitted by resolutions adopted by the District with respect to the Series 2020 Assessments, are sufficient to enable the District to pay the debt service on the Series 2020 Bonds through the final maturity thereof;

3. the Series 2020 Assessments provide a special benefit to the properties assessed and the Series 2020 Assessments are fairly and reasonably allocated to the properties assessed;

4. Moyer Management Group, Inc. consents to the use of the Report included as Appendix B to the Limited Offering Memorandum;

5. Moyer Management Group, Inc. consents to the references to the firm in the Limited Offering Memorandum;

6. the Report was prepared in accordance with all applicable provisions of Florida law;

7. as District Manager, nothing has come to our attention that would lead us to believe that the Limited Offering Memorandum, as it relates to the District, the Series 2020 Project, or any information provided by us, and the Report, as of their date and as of this date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading;

8. the information contained in the Limited Offering Memorandum under the subheadings “Structure and Prepayment of Series 2020 Assessments” and “Assessment Methodology,” each under the heading “THE SERIES 2020 ASSESSMENTS,” and “THE DISTRICT,” is true and correct in all material respects, and, such information does not contain any untrue statement of a material fact or omit to state any fact necessary in order to make the statements therein, in light of the circumstances under which they were made not misleading;

9. except as disclosed in the Limited Offering Memorandum, the firm knows of no material change in the matters described in the Report and is of the opinion that the considerations and assumptions used in compiling the Report are reasonable;

10. the information contained in the Report did not, and does not, contain any untrue statement of a material fact and did not, and does not, omit to state a material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and

11. As District Manager, we are not aware of any litigation pending or, to the best of our knowledge, threatened against the District restraining or enjoining the issuance, sale, execution or delivery of the Series 2020 Bonds, or in any way contesting or affecting the validity of the Series 2020 Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the Series 2020 Bonds, or the existence or powers of the District.

12. Moyer Management Group, Inc. has agreed to serve as the initial Dissemination Agent for the District and undertake the obligations of the Dissemination Agent as set forth in the Disclosure Agreement. In its capacity as Dissemination Agent, Moyer Management Group, Inc. is aware of the continuing disclosure requirements set forth in the Disclosure Agreement and Rule 15c2-12, and Moyer Management Group, Inc. has policies and procedures in place to ensure its compliance with its obligations under the Disclosure Agreement.

IN WITNESS WHEREOF, the undersigned has set his hand this [Closing Date], 2020.

MOYER MANAGEMENT GROUP, INC.

By: _____
Name: Gary Moyer
Title: President

EXHIBIT F

FORM OF CERTIFICATE OF DEVELOPER

The undersigned, the duly authorized representative of Hanover Lakes, LLC, as the developer (the “Developer”) of the development known as Hanover Lakes (the “Development”), does hereby certify to the OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT (the “District”) and MBS CAPITAL MARKETS, LLC (the “Underwriter”) that:

1. This certificate is delivered by the Developer to enable the Underwriter to comply with Rule 15c2-12 under the Securities and Exchange Act of 1934 (the “Rule”) in connection with the offering and sale by the District of its \$[PAR] Osceola Chain of Lakes Community Development District Capital Improvement Revenue Bonds, Series 2020 (the “Series 2020 Bonds”). Capitalized terms that are used in this certificate and not otherwise defined shall have the meanings assigned to such terms in the Limited Offering Memorandum, dated [BPA Date], 2020 (the “Limited Offering Memorandum”) and the Bond Purchase Agreement, dated [BPA Date], 2020 between the Underwriter and the District (the “Bond Purchase Agreement”).

2. The information contained in the Limited Offering Memorandum under the heading “THE DEVELOPER” and, as it pertains to the Developer and the Development, under the headings “INTRODUCTION,” “THE CAPITAL IMPROVEMENT PROGRAM AND THE SERIES 2020 PROJECT,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDOWNERS’ RISK,” “CONTINUING DISCLOSURE”, and “LITIGATION – The Developer” contains no untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading as of the date of the Limited Offering Memorandum and as of the date hereof.

3. There has been no action taken by or omitted by the Developer that impairs the contemplated transactions by the District with respect to the Series 2020 Bonds, including: (a) the issuance and sale of the Series 2020 Bonds upon the terms set forth in the Bond Purchase Agreement; (b) the approval of the Limited Offering Memorandum and the signing of the Limited Offering Memorandum by a duly authorized officer of the District; (c) the acquisition and construction of the Series 2020 Project (as described in the Limited Offering Memorandum); and (d) the execution, delivery and receipt of the Bond Purchase Agreement, the Series 2020 Bonds, the Indenture, the Continuing Disclosure Agreement, the True-Up Agreement, the Acquisition Agreement, the Completion Agreement, the Contribution Agreement, the Declaration of Consent to Jurisdiction and to Imposition of Series 2020 Assessments (the “Declaration of Consent”), the Collateral Assignment, and the Tri-Party Agreement Relating to Consent to Jurisdiction, Imposition of Special Assessments, and Subordination of Interests by and between Osceola Chain of Lakes Community Development District, Hanover Lakes, LLC and Regions (the “Tri-Party Agreement”), and any and all such other agreements or documents as may be required to be executed, delivered and received by the District in order to carry out, give effect to, and consummate the transactions contemplated by the Limited Offering Memorandum and the Indenture. The Developer acknowledges and consents to those provisions of the Bond Purchase Agreement which reference it.

4. The consummation of the transactions described in the Limited Offering Memorandum does not on the date hereof and will not at the time of such consummation, conflict with or constitute on the part of the Developer a breach or violation of the terms and provisions of, or constitute a default under any existing agreement or indenture, mortgage, lease, deed of trust, note or other instrument, to which the Developer is subject or by which it or its properties are or may be bound. The consummation of the transactions described in the Limited Offering Memorandum does not, on the date hereof, and will not at

the time of such consummation, to the best of the Developer's knowledge, conflict with or constitute on the part of the Developer a breach or violation of the terms and provisions of, or constitute a default under any existing constitution, laws, court or administrative rule or regulations, to which it is subject, or any decree, order or judgment to which it is a party or by which it is bound in force and effect on the date hereof, which would have a material adverse effect on the Series 2020 Bonds or the Development.

5. The Developer is not in default under any resolution, agreement or indenture, mortgage, lease, deed of trust, note or other instrument to which the Developer is subject, or by which it or its properties are or may be bound, which would have a material adverse effect on the Series 2020 Bonds or the Development.

6. There is no action, suit or proceeding at law or in equity by or before any court or public board or body pending or threatened, to the best of the Developer's knowledge, against the Developer: (a) seeking to restrain or enjoin the issuance or delivery of the Series 2020 Bonds or the application of the proceeds thereof, or the levy or collection of the 2018 Assessments, (b) contesting or affecting the authority for the issuance of the Series 2020 Bonds or the validity or enforceability of the Series 2020 Bonds, the Indenture, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Acquisition Agreement, the True-Up Agreement, the Collateral Assignment, the Tri-Party Agreement, the Contribution Agreement, or the Declaration of Consent, or the transactions contemplated thereunder, or (c) contesting or affecting the establishment or existence, of the Developer or any of its officers or employees, its assets, property or conditions, financial or otherwise, or contesting or affecting any of the powers of the Developer, including its power to develop the Development.

7. That portion of the District property securing Series 2020 Assessments for the Series 2020 Bonds is free and clear of any commercial mortgage encumbrance (i.e., non single-family home mortgages obtained by homeowners), other than as described in the Limited Offering Memorandum.

8. The Developer is complying in all material respects with all provisions of applicable law in all material matters relating to the Development and the District and its undertaking as described in the Limited Offering Memorandum and the Indenture including applying for all necessary permits. The Developer hereby certifies that: (a) it has the appropriate land use and zoning approvals under the Comprehensive Plan for Osceola County and the Land Development Code approved by Osceola County to permit the development of the Development and the construction of the improvements as described in the Limited Offering Memorandum under the headings of "THE DEVELOPMENT" and "THE DEVELOPER," (b) the Developer is not in default of any zoning condition, permit or development agreement which would adversely affect the District's ability to complete development of the Series 2020 Project (as described in the Limited Offering Memorandum) or the Developer's ability to complete the Development as described in the Limited Offering Memorandum and all appendices thereto, and (c) assuming compliance by the Developer with the material conditions of the Comprehensive Plan for Osceola County, the Osceola County Land Development Code, and zoning requirements, all of which conditions are within the control of the Developer (subject to applicable future permitting requirements and dedications as identified in the Limited Offering Memorandum) and upon issuance of applicable future permits, the Development and the lands within the District will be able to be developed as described in the Limited Offering Memorandum.

IN WITNESS WHEREOF, the undersigned have hereunto set our hands for and on behalf of the Developer as of this [Closing Date], 2020.

HANOVER LAKES, LLC, a Florida limited liability company

By: _____
_____, its _____

EXHIBIT G

FORM OF OPINION OF COUNSEL TO DEVELOPER

[Closing Date], 2020

Osceola Chain of Lakes Community Development District
Osceola County, Florida

MBS Capital Markets, LLC
Winter Park, Florida

U.S. Bank National Association
Orlando, Florida

Re: Osceola Chain of Lakes Community Development District
\$[PAR] Capital Improvement Revenue Bonds, Series 2020 (the "Series 2020
Bonds")

Ladies and Gentlemen:

We are counsel to Hanover Lakes, LLC, a Florida limited liability company (the "Developer"), which is the developer of approximately 177.038 acres of real property located in a certain master planned residential community located in Osceola County, Florida and commonly referred to as "Hanover Lakes" (the "Development"). This opinion is rendered at the request of the Developer in connection with the issuance by the Osceola Chain of Lakes Community Development District (the "District") of the Series 2020 Bonds as described in the District's Limited Offering Memorandum, dated [BPA Date], 2020 including the appendices attached thereto (the "Limited Offering Memorandum"). It is our understanding that the Series 2020 Bonds are being issued to, among other things, finance the cost of the planning, financing, acquisition, design, construction, reconstruction, equipping and installation of certain infrastructure improvements, as more fully described in the Limited Offering Memorandum (the "Series 2020 Project").

In our capacity as counsel to the Developer, we have examined originals or copies identified to our satisfaction as being true copies of the Limited Offering Memorandum; Declaration of Consent to Jurisdiction of Osceola Chain of Lakes Community Development District and to Imposition of Debt Special Assessments; Agreement Between Osceola Chain of Lakes Community Development District and Hanover Lakes, LLC, Regarding the True-Up and Payment of Series 2020 Assessments; Agreement by and between the Osceola Chain of Lakes Community Development District and Hanover Lakes, LLC, Regarding the Completion of Certain Improvements Relating to the Master Project and Acknowledgment of Contribution Requirement; the Agreement by and between Osceola Chain of Lakes Community Development District and Hanover Lakes, LLC Regarding the Acquisition of Certain Work Product, Infrastructure and Real Property; the Collateral Assignment and Assumption of Development and Contract Rights, executed by Hanover Lakes, LLC and Osceola Chain of Lakes Community Development District; the Contribution Agreement by and between Osceola Chain of Lakes Community Development District and Hanover Lakes, LLC; the Tri-Party Agreement Relating to Consent to Jurisdiction, Imposition of Special Assessments and Subordination of Interests by and between Osceola Chain of Lakes Community Development District, Hanover Lakes, LLC, and Regions Bank; the

Continuing Disclosure Agreement executed by Osceola Chain of Lakes Community Development District and Hanover Lakes, LLC and joined in by the Dissemination Agent and the Trustee as defined therein; and the Certificate of Developer dated as of [Closing Date], 2020 (collectively, the "Documents") as more particularly described on Exhibit "A" attached hereto and by this reference made a part hereof, and have made such examination of law as we have deemed necessary or appropriate in rendering this opinion.

In connection with the forgoing, we have also reviewed and examined the following (collectively, referred to hereinafter as the "Organizational Documents") together with those additional documents described on Exhibit "B" attached hereto and by this reference made a part hereof:

1. A certified copy of the Developer's Articles of Organization and all amendments dated _____, filed on _____ in the Office of the Secretary of State of Florida, issued by the Office of the Secretary of State of Florida on _____;
2. A Certificate of Active Status for the Developer issued by the Office of the Secretary of State of Florida on [];
3. A Certificate of Developer dated [Closing Date], 2020;
4. The Written Consent to Actions in Lieu of a Special Meeting of the Members of Hanover Lakes, LLC dated effective as of _____; and
5. The Incumbency Certificate for Hanover Lakes, LLC dated _____, and executed by Andrew J. Orosz as Vice President and General Counsel of Hanover Land Company, LLC, a Florida limited liability company, as Manager of the Developer.

Except to the extent expressly stated to the contrary herein, in rendering this opinion, we have relied solely upon the Organizational Documents and the certificates, opinions and representations made by the Developer, its representatives and the parties to this transaction as described in, but not limited to, the Documents (the "Certificates").

Assumptions

In rendering this opinion, we have assumed, without having made any independent investigation of the facts and on reliance on the Organizational Documents and Certificates, the following:

1. The genuineness of all signatures (other than those of the Developer) and the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as certified, conformed or photostatic copies, and the legal capacity of all natural persons.
2. To the extent that the obligations of the Developer may be dependent upon such matters, that each party to the Documents referred to herein is duly formed, validly existing and in good standing under the laws of its jurisdiction of formation; that each such other party has the requisite corporate or other organizational power and authority to perform its obligations under the Documents, as applicable; and that the Documents, as applicable, have been duly authorized, executed and delivered by, and each of them constitutes the legally valid and binding obligations of, such other parties, as applicable, enforceable against such other parties in accordance with their respective terms.

3. That all material legal and factual matters, including without limitation, representations and warranties, contained in the Documents and the Certificates, are true and correct as set forth therein.

4. There have been no undisclosed material modifications of any provision of any of the Documents, Organizational Documents or Certificates reviewed by us in connection with the rendering of the opinions expressed herein.

5. The parties to the Documents and their successors and assigns have and will (i) act in good faith and in a commercially reasonable manner in the exercise of any rights or enforcement of any remedies under the Documents; (ii) not engage in any conduct in the exercise of such rights or enforcement of such remedies that would constitute other than fair dealing; and (iii) comply with all requirements of applicable procedural and substantive law in exercising any rights or enforcing any remedies under the Documents.

6. The exercise of any rights or enforcement of any remedies under the Documents would not be unconscionable, result in a breach of the peace or otherwise be contrary to public policy.

7. There are no agreements or understandings among the parties, written or oral, and there is no usage of trade or course of prior dealing among the parties that would, in either case, define, supplement, modify or qualify the terms of the Documents or the rights of the parties thereunder.

8. Value has been given to the Developer to support the obligations of the Developer under the Documents.

9. There has not been any mutual mistake of fact or mutual misunderstanding or undue influence by the parties to the Documents and there exists no fraud or duress.

10. The truthfulness of each statement as to all factual matters otherwise not known to be untruthful contained in any document encompassed with the diligence review and undertaken by us.

11. Routine procedural matters such as service of process or qualification to do business in the relevant jurisdiction(s) will be satisfied by the parties seeking to enforce the Documents.

In basing the opinions set forth in this opinion on "our knowledge", the words "our knowledge" signify that, in the course of our representation of the Developer, no facts have come to our attention that would give us actual knowledge or actual notice that any such opinions or other matters are not accurate. Except as otherwise stated in this opinion, we have undertaken no investigation or verification of such matters. Further, the words "our knowledge" as used in this opinion are intended to be limited to the actual knowledge of the attorneys within our firm who have been directly involved in representing the Developer in connection with this transaction.

Based on the foregoing, we are of the opinion that:

1. The Developer is a limited liability company organized and validly existing under the laws of the State of Florida.

2. The Developer has the power to conduct its business, undertake the development of the Development, and to enter into the Documents.

3. The Documents have been duly authorized, executed and delivered by the Developer and are in full force and effect. Assuming the due authorization, execution and delivery of such instruments by the other parties thereto and their authority to perform such instruments, the Documents constitute the legal, valid and binding obligations of the Developer, enforceable in

accordance with their respective terms.

4. Nothing has come to our attention that would lead us to believe the information contained in the Limited Offering Memorandum under the captions "THE DEVELOPER", "THE DEVELOPMENT" and "LITIGATION – The Developer" and as it pertains to the Developer and the Development, under the heading "CONTINUING DISCLOSURE" does not accurately and fairly present the information purported to be shown or contains any untrue statement of a material fact nor omits to state any material fact necessary to make the statement made therein, in light of the circumstances under which they were made, not misleading as of the date of the Limited Offering Memorandum or as of the date hereof.

5. The execution, delivery and performance of the Documents by the Developer do not violate (i) the Developer's Operating Agreement, (ii) to our knowledge, any agreement, instrument or Federal or Florida law, rule or regulation known to us to which the Developer is a party or by which Developer's assets are or may be bound; or (iii) to our knowledge, any judgment, decree or order of any administrative tribunal, which judgment, decree, or order is binding on the Developer or its assets.

6. Nothing has come to our attention that would lead us to believe that the Developer is not in compliance in all material respects with all provisions of applicable law in all material matters relating to the Developer and the Development as described in the Limited Offering Memorandum.

7. To our knowledge, the levy of the Series 2020 Assessments (as defined in the Indenture) on the lands within the District will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which the Developer is a party or to which the Developer or any of its property or assets is subject.

8. There is no litigation pending (other than as set forth in the Limited Offering Memorandum) which would prevent or prohibit the development of the Development in accordance with the description thereof in the Limited Offering Memorandum or which may result in any material adverse change in the respective business, properties, assets or financial condition of the Developer.

9. To our knowledge, there is no threatened litigation (other than as set forth in the Limited Offering Memorandum) which would prevent or prohibit the development of the Development in accordance with the description thereof in the Limited Offering Memorandum or which may result in any material adverse change in the respective business, properties, assets or financial condition of the Developer.

10. To our knowledge, the Developer has not made an assignment for the benefit of creditors, filed a petition in bankruptcy, petitioned or applied to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction. To our knowledge, the Developer has not indicated its consent to, or approval of, or failed to object timely to, any petition in bankruptcy, application or proceeding or order for relief or the appointment of a custodian, receiver or any trustee.

11. To our knowledge, the Developer is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material adverse effect on the Series 2020 Bonds or the Development.

Qualifications

Notwithstanding any provision of this opinion to the contrary, each of the opinions and confirmations set forth in this opinion is subject to the following qualifications:

(a) We are licensed to practice law only in the State of Florida and we do not express any opinion herein concerning any laws other than the laws of the State of Florida or federal laws of the United States of America.

(b) Any opinion expressed herein concerning a document is limited to the specific document referenced. No inference should be made that our opinion addresses other documents amended, modified, supplemented or referenced by, or attached to the document which is the subject of our opinion. We have made no investigation of the accuracy or completeness of any schedule attached to the Documents and express no opinion with respect thereto.

(c) The validity or enforceability of any Document and the liens created thereby may be limited or affected by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally (including, without limitation, fraudulent conveyance laws) and by general principles of equity including, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law. We express no opinion as to the validity, binding effect or enforceability of (i) purported waivers of any statutory or other rights, court rules or defenses to obligations or consents to any actions where such waivers or consents (A) are against public policy or (B) constitute waivers of rights or consents to actions which by law, regulation or judicial decision may not otherwise be waived or given; (ii) provisions indemnifying any person against, or relieving any person of liability for, its own negligent or wrongful acts or in any other circumstances where enforcement of such provisions would be against public policy or limited or prohibited by applicable law; (iii) any provisions which purport to authorize or permit any person to exercise any right or remedy upon any nonmaterial breach or default; (iv) any forum selection or exclusive jurisdiction provision; (v) any powers of attorney to the extent that they purport to grant rights and powers that may not be granted under applicable law; (vi) any provision that purports to permit the exercise of "self- help" remedies, including, the exercise of rights of setoff or purported rights to enter onto the property of any person or take physical possession of any property; (vii) any right or obligation to the extent that the same may be varied by course of dealing or performance; (viii) any provisions which may provide for the compounding of interest or the payment or accrual of interest on interest; or (ix) any provision that is subject to any mutual mistake of fact or misunderstanding, fraud, duress or undue influence. This opinion does not mean that any particular remedy is available upon a material default.

(d) Unless explicitly addressed in this opinion, the opinions and confirmations set forth in this opinion do not address any of the following legal issues, and we specifically express no opinion with respect thereto: (i) securities laws and regulations administered by the Securities and Exchange Commission (other than the Public Utility Holding Company Act of 1935), state "Blue Sky" laws and regulations, and laws and regulations relating to commodity (and other) futures and indices and other similar instruments; (ii) Federal Reserve Board margin regulations; (iii) pension and employee benefit laws and regulations (e.g., ERISA); (iv) antitrust and unfair competition laws and regulations; (v) laws and regulations concerning filing and notice requirements (e.g., Hart-Scott-Rodino and Exon-Florio), other than requirements applicable to charter-related documents such as a certificate of merger; (vi) compliance with fiduciary duty requirements; (vii) environmental laws and regulations; (viii) zoning, land use, condominium, cooperative, subdivision and other development laws and regulations; (ix) tax laws and regulations; (x) patent, copyright and trademark, state trademark, and other Federal and state intellectual property laws and regulations; (xi) racketeering laws and regulations (e.g., RICO); (xii) health and safety laws and regulations (e.g., OSHA); (xiii) labor laws and regulations; (xiv) laws, regulations and policies concerning (a) national and local emergency, (b) possible judicial deference to acts of sovereign states, and (c) criminal and civil forfeiture laws; (xv) bulk transfer law; and (xvi) law concerning access by the disabled and building codes.

(e) We express no opinion with respect to (i) the description, title, ownership or location of any property, real or personal; (ii) the characterization of any property as real property, personal property or fixtures; (iii) the accuracy or sufficiency of any description of collateral or other property; (iv) or the priority of any lien or security interest intended to be granted therein pursuant to one or more of the Documents.

(f) We express no opinion as to the effectiveness of any provisions of the Documents that provide for the assignment or transfer of any permits, licenses or similar rights of the Developer.

This opinion is given as of the date hereof, and we disclaim any obligation to update this opinion letter for events occurring after the date of this opinion letter. The foregoing opinion applies only with respect to the laws of the State of Florida and the federal laws of the United States of America and we express no opinion with respect to the laws of any other jurisdiction.

This letter is for the benefit of and may be relied upon solely by the addressees and this opinion may not be relied upon in any manner, nor used, by any other persons or entities. This letter may not be quoted in whole or in part or otherwise referred to in any report or document furnished to any person or entity, except (i) in connection with the enforcement of the obligations of the Developer under the Documents, or (ii) the inspection of your files by internal or government examiners or auditors, or (iii) as may be required pursuant to any validly issued court order, subpoena, decree or other lawful process.

Sincerely,

GrayRobinson, P.A.

EXHIBIT “A”
(DOCUMENTS)

1. Limited Offering Memorandum dated [BPA Date], 2020 as issued by the Osceola Chain of Lakes Community Development District relative to \$[PAR] Capital Improvement Revenue Bonds, Series 2020.
2. Declaration of Consent to Jurisdiction of the District and Imposition of Debt Special Assessments executed by the Developer, dated [Closing Date], 2020.
3. Agreement by and between the District and the Developer Regarding the True-Up and Payment of Series 2020 Assessments, executed by the District and the Developer, dated [Closing Date], 2020.
4. Agreement by and between the District and the Developer Regarding the Completion of Certain Improvements Relating to the Master Project and Acknowledgement of Contribution Requirement, executed by the District and the Developer, dated [Closing Date], 2020.
5. Agreement by and between the District and the Developer Regarding the Acquisition of Certain Work Product, Infrastructure and Real Property, executed by the District and the Developer, dated [Closing Date], 2020.
6. Collateral Assignment and Assumption of Development and Contract Rights, executed by the Developer and the District, dated [Closing Date], 2020.
7. Continuing Disclosure Agreement executed by the District and the Developer and joined in by the Dissemination Agent and the Trustee, dated [Closing Date], 2020.
8. Certificate of Developer executed by the Developer, dated [Closing Date], 2020.
9. Contribution Agreement by and between Osceola Chain of Lakes Community Development District and Hanover Lakes, LLC dated [Closing Date], 2020.
10. Tri-Party Agreement Relating to Consent to Jurisdiction, Imposition of Special Assessments and Subordination of Interests by and between Osceola Chain of Lakes Community Development District, Hanover Lakes, LLC, and Regions Bank dated as of [Closing Date], 2020.

EXHIBIT “B”
(ORGANIZATIONAL DOCUMENTS)

EXHIBIT H

CERTIFICATE OF ISSUER'S CONSULTING ENGINEER

[Closing Date], 2020

Board of Supervisors
Osceola Chain of Lakes Community Development District
Osceola County, Florida

U.S. Bank National Association, as Trustee
Orlando, Florida

MBS Capital Markets, LLC
Winter Park, Florida

Re: Osceola Chain of Lakes Community Development District (Osceola County, Florida) Capital Improvement Revenue Bonds, Series 2020 (the "Series 2020 Bonds")

Ladies and Gentlemen:

The undersigned serves as the Consulting Engineer to the Osceola Chain of Lakes Community Development District (the "District"). This Certificate is furnished pursuant to Section 8(c)(13) of the Bond Purchase Agreement dated [BPA Date], 2020 between the District and MBS Capital Markets, LLC (the "Bond Purchase Agreement") relating to the sale of the above-captioned Bonds (the "Series 2020 Bonds"). Terms used herein in capitalized form and not otherwise defined herein shall have the meaning ascribed thereto in said Bond Purchase Agreement or in the Limited Offering Memorandum dated [BPA Date], 2020 relating to the Series 2020 Bonds (the "Limited Offering Memorandum").

1. Dewberry Engineers Inc. (the "Firm") has been retained by the District to serve as the Consulting Engineer and to prepare the Master Engineer's Report and the 2020 Supplemental Engineer's Report (together, the "Report"), which Report is included as an appendix to the Limited Offering Memorandum. Consent is hereby given to the references to the Firm and the Report in the Limited Offering Memorandum and to the inclusion of the Supplemental Engineer's Report as an appendix to the Limited Offering Memorandum.

2. The Report sets forth the estimated cost of the Capital Improvement Program and the Series 2020 Project and was prepared in accordance with generally accepted engineering practices.

3. In connection with the preparation of the Report, personnel of the Firm participated in meetings with representatives of the District and its counsel, Bond Counsel, the Underwriter and its counsel and others in regard to the Capital Improvement Program and the Series 2020 Project. The Capital Improvement Program and the Series 2020 Project consist solely of infrastructure and other improvements set forth in the Act. Nothing has come to the attention of the Firm in relation to our engagement as described in this paragraph which would cause us to believe that the Report was, as of its date, or is as of the date hereof, or any of the statements in the Limited Offering Memorandum specifically attributed to the Firm were, as of the respective date of the Limited Offering Memorandum, or are as of the date hereof, inaccurate in any material respect.

4. The information contained in the Limited Offering Memorandum under the heading "THE CAPITAL IMPROVEMENT PROGRAM AND THE SERIES 2020 PROJECT" and in Appendix "A" to

the Limited Offering Memorandum are accurate statements and fairly present the information purported to be shown, and nothing has come to the attention of the Firm that would lead it to believe that such section and appendix contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements, in light of the circumstances in which they were made, not misleading.

5. Except as defined in the Report, all permits, consents or licenses, and all notices to or filings with governmental agencies necessary for the construction and acquisition of the Capital Improvement Program, the Series 2020 Project, and the Development as described in the Limited Offering Memorandum required to be obtained or made have been obtained or made or it is reasonable to believe that they will be obtained or made when required. There is no reason to believe that any permits, consents, licenses or governmental approvals required to complete any portion of the Capital Improvement Program, the Series 2020 Project, and/or the Development, as the case may be, as described in the Limited Offering Memorandum, will not be obtained as required. There is no reason to believe that the necessary water and sewer capacity will not be available when needed to permit the development of the Development as described in the Limited Offering Memorandum.

6. The proceeds of the Series 2020 Bonds deposited in the Series 2020 Acquisition and Construction Account of the Acquisition and Construction Fund created under the Indenture together with the investment earnings thereon shall be sufficient to complete the portion of the Series 2020 Project to be financed with proceeds of the Series 2020 Bonds.

DEWBERRY ENGINEERS INC.

By: _____
Name: _____
Title: President

Subsection 6c(ii)

Supplemental Trust
Indenture

SECOND SUPPLEMENTAL TRUST INDENTURE

**OSCEOLA CHAIN OF LAKES
COMMUNITY DEVELOPMENT DISTRICT**

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

Dated as of February 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 February 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 constitute 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, and 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 includes 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.

"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.

"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.

"Quarterly Redemption Date" shall mean each February 1, May 1, August 1, and November 1.

"Redemption Date" shall mean a Quarterly Redemption 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 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 [___]% 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].

"Substantially Absorbed" shall mean the date on which the principal amount of the Series 2020 Assessments equaling 90% of the then Outstanding principal amount of the Series 2020 Bonds is levied on tax parcels within Assessment Area One with respect to which a certificate of occupancy has been issued for a structure thereon and are owned by end users, as certified by an Authorized Officer and upon which the Trustee may conclusively rely.

"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 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. Moneys 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 moneys 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 moneys on deposit in the Series 2020 Revenue Account pursuant to Section 408(d) hereof. When such deficiency has been satisfied and no moneys 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 moneys 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 moneys 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 moneys 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, moneys 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 that so long as the Series 2020 Assessments have not been Substantially Absorbed, 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 moneys 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 moneys 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.

[Remainder of Page Intentionally Left Blank]

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 February 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 moneys 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 moneys 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 moneys 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 moneys 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 moneys 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) on the date on which the amount on deposit in the Series 2020 Reserve Account, together with other moneys 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 moneys 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 moneys 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 moneys were held by the Trustee or any Paying Agent at such date, or for two years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bond became due and payable, shall be paid to the District, and thereupon and thereafter no claimant shall have any rights against the Paying Agent to or in respect of such moneys.

If the District deposits or causes to be deposited with the Trustee cash or Federal Securities 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.

[Remainder of Page Intentionally Left Blank]

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 February 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 moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

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

Originals or copies of the invoice(s) from the vendor of the property acquired or 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 6c(iii)

PLOM

NEW ISSUE - BOOK-ENTRY ONLY

NOT RATED

In the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, under existing statutes, regulations, rulings and court decisions and subject to the conditions described herein under "TAX MATTERS," interest on the Series 2020 Bonds is (a) excludable from gross income of the owners thereof for federal income tax purposes, except as otherwise described herein under the caption "TAX MATTERS" and (b) not an item of tax preference for purposes of the federal alternative minimum tax. Such interest also may be subject to other federal income tax consequences referred to herein under "TAX MATTERS." See "TAX MATTERS" herein for a general discussion of Bond Counsel's opinion and other tax considerations.

**OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT
(Osceola County, Florida)**

**\$5,890,000*
Capital Improvement Revenue Bonds,
Series 2020**

Dated: Date of delivery

Due: May 1, as shown below

The \$5,890,000* Osceola Chain of Lakes Community Development District Capital Improvement Revenue Bonds, Series 2020 (the "Series 2020 Bonds") are being issued by the Osceola Chain of Lakes Community Development District (the "District") pursuant to a Master Trust Indenture dated as of March 1, 2018 (the "Master Indenture") between the District and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by a Second Supplemental Trust Indenture dated as of February 1, 2020, between the District and the Trustee (the "Second Supplement" and, together with the Master Indenture, the "Indenture"). The Series 2020 Bonds are being issued initially in the form of a separate single certificated fully registered bond for each maturity thereof, in denominations of \$5,000 or any integral multiple thereof; provided, however, that delivery of the Series 2020 Bonds to the initial purchasers thereof shall be in principal amounts of \$100,000 or integral multiples of \$5,000 in excess of \$100,000. The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, the Florida Constitution, and other applicable provisions of law (collectively, the "Act") and Ordinance No. 2017-78 which was enacted on October 2, 2017, by the Board of County Commissioners of Osceola County, Florida, and became effective on October 3, 2017, as amended by Ordinance No. 2017-93, which became effective on November 15, 2017.

The Series 2020 Bonds are payable from and secured by the Series 2020 Trust Estate, which includes the Series 2020 Pledged Revenues and the Series 2020 Pledged Funds as provided for and as such terms are defined in the Indenture. The Series 2020 Pledged Revenues consist of the revenues derived by the District from the Series 2020 Assessments (as defined in the Indenture) levied against certain residential lands in the District that are subject to assessment as a result of the Series 2020 Project (hereinafter defined). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020 BONDS."

The Series 2020 Bonds, when issued, will be registered in the name of Cede & Co., as the owner and nominee for The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the Series 2020 Bonds will be made in book-entry only form. Accordingly, principal of and interest on the Series 2020 Bonds will be paid from the sources provided below by the Trustee directly to Cede & Co. as the nominee of DTC and the registered owner thereof. Disbursements of such payments to the DTC Participants is the responsibility of DTC and disbursements of such payments to the beneficial owners is the responsibility of DTC Participants and the Indirect Participants, as more fully described herein. Any purchaser as a beneficial owner of a Series 2020 Bond must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Series 2020 Bond. See "DESCRIPTION OF THE SERIES 2020 BONDS - Book-Entry Only System" herein. The Series 2020 Bonds will bear interest at the fixed rates set forth herein, calculated on the basis of a 360-day year comprised of twelve thirty-day months. Interest

on the Series 2020 Bonds is payable semi-annually on each May 1 and November 1, commencing May 1, 2020.

Some or all of the Series 2020 Bonds are subject to optional, mandatory and extraordinary mandatory redemption at the times, in the amounts and at the redemption prices as more fully described herein.

The Series 2020 Bonds are being issued to: (i) finance the construction, acquisition, equipping and/or improvement of a portion of the Series 2020 Project; (ii) pay capitalized interest on such Series 2020 Bonds through November 1, 2020; (iii) fund the Series 2020 Reserve Account established for such Series 2020 Bonds in an amount equal to the Series 2020 Reserve Account Requirement; and (iv) pay certain costs associated with the issuance of such Series 2020 Bonds.

THE SERIES 2020 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE SERIES 2020 TRUST ESTATE PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, OSCEOLA COUNTY, FLORIDA, THE STATE OF FLORIDA, NOR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2020 BONDS. HOWEVER, THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SERIES 2020 ASSESSMENTS TO SECURE AND PAY THE SERIES 2020 BONDS. THE SERIES 2020 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, OSCEOLA COUNTY, FLORIDA, THE STATE OF FLORIDA, NOR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION.

THE SERIES 2020 BONDS INVOLVE A DEGREE OF RISK (SEE “BONDOWNERS’ RISKS” HEREIN) AND ARE NOT SUITABLE FOR ALL INVESTORS. PURSUANT TO APPLICABLE FLORIDA LAW, THE UNDERWRITER IS LIMITING THIS INITIAL OFFERING OF THE SERIES 2020 BONDS TO ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. THE LIMITATION ON THE INITIAL OFFERING TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFER IN ANY SECONDARY MARKET FOR THE SERIES 2020 BONDS. THE SERIES 2020 BONDS ARE NOT RATED OR CREDIT ENHANCED AND NO APPLICATION HAS BEEN MADE FOR A RATING OR CREDIT ENHANCEMENT WITH RESPECT TO THE SERIES 2020 BONDS. SEE “SUITABILITY FOR INVESTMENT” AND “BONDOWNERS’ RISKS” HEREIN.

This cover page contains information for quick reference only. It is not a summary of the Series 2020 Bonds. Investors must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

AMOUNTS, INTEREST RATES, MATURITIES, YIELDS, PRICES
AND INITIAL CUSIP NUMBERS*

\$ _____ % Series 2020 Term Bond Due May 1, 20____ - Yield: _____ % - Price: _____ - CUSIP
No. _____ **

\$ _____ % Series 2020 Term Bond Due May 1, 20____ - Yield: _____ % - Price: _____ - CUSIP
No. _____ **

The Series 2020 Bonds are offered for delivery when, as and if issued by the District and accepted by MBS Capital Markets, LLC, the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice and the receipt of the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, as to the validity of the Series 2020 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Hopping Green & Sams, P.A., Tallahassee, Florida, for the Developer by its counsel, Gray Robinson, P.A., Orlando, Florida, and for the Underwriter by its counsel, Aponte & Associates Law Firm, P.L.L.C., Orlando, Florida. It is expected that the Series 2020 Bonds will be available for delivery through the facilities of The Depository Trust Company in New York, New York on or about February __, 2020.

MBS CAPITAL MARKETS, LLC

Dated: _____, 2020

* Preliminary, subject to change

** The District is not responsible for the use of CUSIP numbers, nor is a representation made as to their correctness. The CUSIP numbers are only included solely for the convenience of the readers of this Limited Offering Memorandum and may be changed after the issuance of the Series 2020 Bonds.

RED HERRING LANGUAGE:

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2020 Bonds in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of such jurisdiction. The District has deemed this Preliminary Limited Offering Memorandum “final”, except for certain permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT

BOARD OF SUPERVISORS

Anthony Iorio *, Chairman
Ryan Kahn *, Vice Chairman
Kimberly Locher, Assistant Secretary
Jason Lonas*, Assistant Secretary
Vacant

DISTRICT MANAGER

Moyer Management Group, Inc.
Celebration, Florida

ASSESSMENT CONSULTANT

Moyer Management Group, Inc.
Celebration, Florida

DISTRICT COUNSEL

Hopping Green & Sams, P.A.
Tallahassee, Florida

CONSULTING ENGINEER

Dewberry Engineers Inc.
Orlando, Florida

BOND COUNSEL

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

COUNSEL TO THE UNDERWRITER

Aponte & Associates Law Firm, P.L.L.C.
Orlando, Florida

* Employees of the Developer (hereinafter defined) or related entities.

REGARDING USE OF THIS LIMITED OFFERING MEMORANDUM

No dealer, broker, salesman or other person has been authorized by the District, the State of Florida or the Underwriter to give any information or to make any representations other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2020 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the District, the District Manager, the Developer, the Consulting Engineer and other sources that are believed by the Underwriter to be reliable. The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with and, as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The District, the Developer, the Consulting Engineer and the Assessment Consultant will, at closing, deliver certificates certifying that certain of the information each supplied does not contain any untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change with respect to the matters described herein since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2020 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE, HAS NOT REVIEWED, PROVIDED OR UNDERTAKEN TO DETERMINE THE ACCURACY OF ANY OF THE INFORMATION CONTAINED IN THIS LIMITED OFFERING MEMORANDUM AND MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO ANY MATTERS CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, INCLUDING, BUT NOT LIMITED TO, (I) THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, (II) THE VALIDITY OF THE SERIES 2020 BONDS OR (III) THE TAX- EXEMPT STATUS OF THE SERIES 2020 BONDS.

THE UNDERWRITER IS LIMITING THIS OFFERING TO ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. HOWEVER, THE LIMITATION ON THE INITIAL OFFERING TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFER IN ANY SECONDARY MARKET FOR THE SERIES 2020 BONDS.

THE SERIES 2020 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2020 BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF ANY JURISDICTIONS WHEREIN THESE SECURITIES HAVE BEEN OR WILL BE REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION

THEREOF BY SUCH JURISDICTIONS. NEITHER THE DISTRICT, OSCEOLA COUNTY, FLORIDA, THE STATE OF FLORIDA NOR ANY OTHER POLITICAL SUBDIVISION OR AGENCY THEREOF HAS GUARANTEED OR PASSED UPON THE MERITS OF THE SERIES 2020 BONDS OR UPON THE PROBABILITY OF ANY EARNINGS THEREON. OTHER THAN THE DISTRICT, NEITHER OSCEOLA COUNTY, FLORIDA, THE STATE OF FLORIDA, NOR ANY OTHER POLITICAL SUBDIVISION THEREOF HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM.

THIS LIMITED OFFERING MEMORANDUM, IS NOT, AND SHALL NOT BE DEEMED TO CONSTITUTE, AN OFFER TO SELL, OR THE SOLICITATION OF AN OFFER TO BUY, REAL ESTATE, WHICH MAY ONLY BE MADE PURSUANT TO OFFERING DOCUMENTS SATISFYING APPLICABLE FEDERAL AND STATE LAWS RELATING TO THE OFFER AND SALE OF REAL ESTATE.

“FORWARD-LOOKING STATEMENTS” ARE USED IN THIS DOCUMENT BY USING FORWARD LOOKING WORDS SUCH AS “MAY,” “WILL,” “SHOULD,” “INTENDS,” “EXPECTS,” “BELIEVES,” “ANTICIPATES,” “ESTIMATES,” OR OTHERS. THE READER IS CAUTIONED THAT FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A VARIETY OF UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THE PROJECTED RESULTS. THOSE RISKS AND UNCERTAINTIES INCLUDE GENERAL ECONOMIC AND BUSINESS CONDITIONS, CONDITIONS IN THE FINANCIAL MARKETS AND REAL ESTATE MARKET, THE DISTRICT'S COLLECTION OF ASSESSMENTS, AND VARIOUS OTHER FACTORS WHICH MAY BE BEYOND THE DISTRICT'S AND THE DEVELOPER'S CONTROL. BECAUSE THE DISTRICT AND THE DEVELOPER CANNOT PREDICT ALL FACTORS THAT MAY AFFECT FUTURE DECISIONS, ACTIONS, EVENTS, OR FINANCIAL CIRCUMSTANCES, WHAT ACTUALLY HAPPENS MAY BE DIFFERENT FROM WHAT IS INCLUDED IN FORWARD-LOOKING STATEMENTS.

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

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LIMITED OFFERING MEMORANDUM

relating to

OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT (Osceola County, Florida)

\$5,890,000*

Capital Improvement Revenue Bonds, Series 2020

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices hereto, is to set forth certain information concerning the Osceola Chain of Lakes Community Development District (the “District”), in connection with the offering and issuance of its Osceola Chain of Lakes Community Development District Capital Improvement Revenue Bonds, Series 2020 (the “Series 2020 Bonds”). The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, the Florida Constitution, and other applicable provisions of law (collectively, the “Act”), and Ordinance No. 2017-78 which was enacted on October 2, 2017, by the Board of County Commissioners of Osceola County, Florida, (the “County”) and became effective on October 3, 2017, as amended by Ordinance No. 2017-93, which became effective on November 15, 2017 (together, the “Ordinance”). The Series 2020 Bonds are being issued pursuant to the Act and a Master Trust Indenture dated as of March 1, 2018 (the “Master Indenture”) from the District to U.S. Bank National Association, as trustee (the “Trustee”), as supplemented by a Second Supplemental Trust Indenture dated as of February 1, 2020, between the District and the Trustee (the “Second Supplement” and, together with the Master Indenture, the “Indenture”) and resolutions of the District authorizing the issuance of the Series 2020 Bonds. All capitalized terms used in this Limited Offering Memorandum that are defined in the Indenture and not defined herein shall have the respective meanings set forth in the forms of the Master Indenture or Second Supplement, both of which appear as composite APPENDIX C attached hereto. The information contained in this Introduction is part of this Limited Offering Memorandum and is subject in all respects to the more complete information contained in or incorporated into this Limited Offering Memorandum. This Introduction should not be considered a complete statement of the facts material to making an investment decision. This Limited Offering Memorandum speaks only as of its date and the information contained herein is subject to change.

THE SERIES 2020 BONDS ARE NOT RATED OR CREDIT ENHANCED, AND ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS (SEE “SUITABILITY FOR INVESTMENT” AND “BONDOWNERS’ RISKS” HEREIN).

The District was established for the purposes, among other things, of financing and managing the planning, acquisition, construction, maintenance and operation of the infrastructure necessary for community development in the development known as Hanover Lakes (the “Development”). The Act authorizes the District to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing or reconstructing, enlarging or extending, equipping, operating and maintaining water management, water supply, sewer and wastewater management, bridges or culverts,

* Preliminary, subject to change

district roads, street lights and other basic infrastructure projects within or without the boundaries of the District, as provided in the Act.

Consistent with the requirements of the Indenture and the Act, the Series 2020 Bonds are being issued for the primary purpose of paying a portion of the costs of the Capital Improvement Program (“CIP”) adopted by the District and described in the Master Engineer’s Report (hereinafter defined) attached hereto in APPENDIX A – ENGINEER’S REPORTS. The CIP includes master utilities systems, master stormwater management systems, underground electrical services systems, conservation/mitigation areas, on-site public roadway improvements, off-site roadway and utility improvements, landscaping, hardscaping and irrigation, and fees associated with professional services. Proceeds of the Series 2020 Bonds will be utilized to acquire and construct a portion of the public infrastructure components necessary for the development of Phases 3, 4, and 5 (“Phases 3, 4, and 5”) of the Development (the “Series 2020 Project”) which represents a portion of the CIP, pay certain costs associated with the issuance of the Series 2020 Bonds, make a deposit into the Series 2020 Reserve Account for the benefit of all of the Series 2020 Bonds in an amount equal to the Series 2020 Reserve Account Requirement and pay a portion of the interest to come due on the Series 2020 Bonds.

The Series 2020 Bonds are payable from and secured by the revenues derived by the District from the Series 2020 Assessments (as defined in the Indenture) and amounts in the Series 2020 Pledged Funds (except for the Series 2020 Rebate Account) established by the Indenture. Series 2020 Assessments will be initially levied and collected on approximately 94.21 acres of lands within the District, but are anticipated to be ultimately assigned to approximately 373 assessable units located in Phases 3, 4, and 5 of the Development on a first platted, first assessed basis. See “APPENDIX B – ASSESSMENT REPORTS” attached hereto.

The Series 2020 Assessments represent an allocation of the costs of the Series 2020 Project, including bond financing costs, to the lands within the District in accordance with the Master Assessment Methodology dated January 3, 2018, as supplemented by the Second Supplemental Assessment Report for Osceola Chain of Lakes Community Development District, each prepared by Moyer Management Group, Inc. (collectively, the “Assessment Reports”) and attached hereto as APPENDIX B.

Other than Bonds issued to refund the then Outstanding Series 2020 Bonds, the issuance of which results in net present value savings, the District has agreed in the Indenture that it 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 so long as the Series 2020 Bonds are Outstanding, it will not impose Assessments (as defined in the Indenture) for capital projects on any lands subject to the Series 2020 Assessments, without the written consent of the Majority Owners, unless the Series 2020 Assessments have been Substantially Absorbed, in which case, the District may impose such Assessments without the consent of the Majority Owners. Notwithstanding the prior sentence, 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 or Operation and Maintenance Assessments. “Substantially Absorbed” means the date when at least 90% of the principal portion of the Series 2020 Assessments have been assigned to [residential units within Phases 3, 4 and 5] with respect to which a certificate of occupancy has been issued for a structure thereon and are owned by end users, as certified by an Authorized Officer and upon which the Trustee may conclusively rely.

There follows in this Limited Offering Memorandum a brief description of the District, the CIP (of which the Series 2020 Project is a part), a portion of which is to be acquired and/or constructed with proceeds of the Series 2020 Bonds, the Development, Hanover Lakes, LLC (the “Developer”), together with summaries of the terms of the Indenture, the Series 2020 Bonds and certain provisions of the Act.

All references herein to the Indenture and the Act are qualified in their entirety by reference to such documents or statutes and all references to the Series 2020 Bonds are qualified by reference to the form thereof and the information with respect thereto contained in the Indenture. Forms of the Master Indenture and the Second Supplement are attached hereto as composite APPENDIX C. The information herein under the captions "THE DEVELOPMENT" and "THE DEVELOPER" has been furnished by the Developer and has been included herein without independent investigation by the District or District Counsel, Bond Counsel, or the Underwriter or its counsel, and the District and the Underwriter make no representation or warranty concerning the accuracy or completeness of such information. The Developer makes no representation or warranty as to the accuracy or completeness of information contained herein which has been furnished by any party to the transactions contemplated hereby other than the Developer.

SUITABILITY FOR INVESTMENT

While the Series 2020 Bonds are not subject to registration under the Securities Act of 1933, as amended (the "Securities Act"), the Underwriter has determined that the Series 2020 Bonds are not suitable for investment by persons other than, and, as required by Chapter 189, Florida Statutes, will offer the Series 2020 Bonds only to, "accredited investors," within the meaning of Chapter 517, Florida Statutes, and the rules promulgated thereunder. However, the limitation of the initial offering to Accredited Investors does not denote restrictions on transfers in any secondary market for the Series 2020 Bonds. Prospective investors in the Series 2020 Bonds should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Series 2020 Bonds and should have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment.

Investment in the Series 2020 Bonds poses certain economic risks. No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum.

THE DISTRICT

General

The District was established pursuant to the Ordinance. The District is an independent local unit of special-purpose government created in accordance with Act. The District encompasses approximately 177.038 +/- acres (the "District Lands").

Legal Powers and Authority

The Act provides a uniform method for the establishment of community development districts to manage and finance basic community development services, including capital infrastructure required for community developments throughout the State of Florida (the "State"). The Act provides legal authority for community development districts (such as the District) to finance the acquisition, construction, operation and maintenance of the major infrastructure for community development.

As a community development district, the District only has those powers specifically delegated to it by the Act and the Ordinance, or necessarily implied from powers specifically delegated to it. The Act provides that community development districts have the power to issue general obligation, revenue and special assessment debt obligations in any combination to pay all or part of the cost of infrastructure improvements authorized under the Act. The Act further provides that community development districts

have the power under certain conditions to levy and assess ad valorem taxes and/or or non-ad valorem assessments, including the Series 2020 Assessments, on all taxable personal property within their boundaries to pay the principal of and interest on debt obligations issued and to provide for any sinking or other funds established in connection with any such debt obligation issues. Pursuant to the Act, such assessments may be assessed, levied, collected and enforced in the same manner and time as county property taxes.

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

The Act does not empower the District to adopt and enforce land use plans or zoning ordinances, and the Act does not empower the District to grant building permits.

Section 190.044 of the Act provides that all property owned by the District shall be exempt from levy and sale by virtue of an execution and from judgment liens, but does not limit the right of any owner of bonds of the District to pursue any remedy for enforcement of any lien or pledge of the District in connection with such bonds, including the Series 2020 Bonds.

Board of Supervisors

The governing body of the District is its Board of Supervisors (the "Board"), which is composed of five Supervisors (the "Supervisors"). Ownership of the land within the District initially entitles the owner to elect Supervisors to the Board based on a one vote per acre basis (with fractions thereof rounded upward to the nearest whole number). Upon six (6) years after the initial appointment of Supervisors and the year in which there are at least 250 qualified electors in the District, or such earlier time as the Board may decide to exercise its ad valorem taxing power, the Supervisors are elected (as their terms expire) by vote of the qualified electors of the District at an election held at the general election in November. A qualified elector is a registered voter, a resident of the District and the State and a citizen of the United States. [Currently, all Supervisors have been elected by the landowner(s). Three Supervisors are affiliated with the Developer.] At the election where Supervisors are first elected by qualified electors, two Supervisors must be qualified electors and be elected by qualified electors to four-year terms. The remaining Supervisor whose term is expiring will be elected by landowners for a four-year term. Thereafter, as terms expire, all Supervisors must be qualified electors and be elected by qualified electors to serve staggered terms. The Act provides that it shall not be an impermissible conflict of interest under Chapter 112 of the Florida Statutes for a Supervisor to be a stockholder, officer or employee of an owner of the land within the District.

The current members of the Board and their respective term expiration dates are set forth below.

Name	Title	Term Expires
Anthony Iorio*	Chairman	November 2022
Ryan Kahn*	Vice Chairman	November 2022
Jason Lonas*	Assistant Secretary	November 2020
Kimberly Locher	Assistant Secretary	November 2020
Vacant	Assistant Secretary	November 2020

*Employees of the Developer or related entities.

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

District Manager and Other Consultants

The Act authorizes the Board to hire a District Manager as the chief administrative official of the District. The Act provides that the District Manager shall have charge and supervision of the works of the District and shall be responsible for (i) preserving and maintaining any improvement or facility constructed or erected pursuant to the provisions of the Act, (ii) maintaining and operating the equipment owned by the District, and (iii) performing such other duties as may be prescribed by the Board.

The District has hired Moyer Management Group, Inc. (the “District Manager”) to serve as District Manager. The District Manager’s office is located at 313 Campus Street, Celebration, Florida 34747 and its telephone number is (321) 939-4301.

The District Manager’s typical responsibilities can briefly be summarized as overseeing directly and coordinating the planning, financing, purchasing, staffing, reporting and governmental liaison for the District. The District Manager’s responsibilities include requisitioning moneys to pay construction contracts and the related accounting and reporting that is required by the Indenture.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, as Bond Counsel; Hopping Green & Sams, P.A., Tallahassee, Florida, as District Counsel; and Moyer Management Group, Inc., Celebration, Florida, as Assessment Consultant to prepare the Assessment Reports for the Series 2020 Bonds.

OUTSTANDING BOND INDEBTEDNESS OF THE DISTRICT

In 2018, the District issued its \$2,200,000 Capital Improvement Revenue Bonds, Series 2018 (the “Series 2018 Bonds”). Net proceeds of the Series 2018 Bonds in the amount of approximately \$1.8 million were applied to finance a portion of the District’s CIP, and the Series 2018 Special Assessments that secure the Series 2018 Bonds have been levied on [168] platted lots which comprise Phases 1 and 2 of the Development. See “THE DEVELOPMENT – Development Status” herein.

The Series 2018 Bonds are currently outstanding the principal amount of \$[]. The Series 2020 Assessments that secure the Series 2020 Bonds **are not** being levied on the same lands that secure the Series 2018 Bonds, but rather, initially, on approximately 94.21 acres that are generally coterminous with Phases 3, 4, and 5 of the Development, which are expected to be developed into 373 residential units. See “APPENDIX B – ASSESSMENT REPORTS”.

THE CAPITAL IMPROVEMENT PROGRAM AND THE SERIES 2020 PROJECT

Detailed information concerning the Capital Improvement Program (the “CIP”) for the District is contained in the Master Engineer's Report dated January 3, 2018 (the “Master Engineer's Report”), and detailed information concerning the Series 2020 Project is contained in the 2020 Supplemental Engineer's Report dated [December 6, 2019] (the “Supplemental Engineer's Report” and together with the Master Engineer's Report, the “Engineer's Reports”), as such supplements the Master Engineer’s Report, both of which are attached hereto as “APPENDIX C - ENGINEER'S REPORTS.” The information in this section is qualified in its entirety by reference to the Engineer's Reports, which should be read in their entirety.

The CIP is estimated to cost approximately \$15.7 million and includes on-site and off-site public roadways, storm water management systems, electrical service systems, utility systems, conservation mitigation, landscaping, irrigation, hardscape, professional fees and contingency. In connection with the District’s issuance of its Series 2018 Bonds, the District initially anticipated that a portion of the CIP in the amount of approximately \$7.6 million would be funded with a combination of net proceeds of the Series 2018 Bonds and directly by the Developer (the “Series 2018 Project”). As of the end of December of 2019, the District has funded approximately [\$1.8 million] of the Series 2018 Project with net proceeds of the Series 2018 Bonds, with the Developer having constructed and funded another approximately [\$4.9 million] in infrastructure improvements comprising a portion of the Series 2018 Project. The balance of improvements, comprising the remaining Series 2018 Project (approximately [\$910,823] in master storm-water management improvements) have been carried over, and will be included as part of the remaining infrastructure improvements that are necessary to complete the CIP, which is anticipated to cost approximately \$9 million (the “Series 2020 Project”).

A summary of the estimated costs of the Series 2020 Project is set forth in the following table:

Infrastructure	Estimated Costs
Sanitary Sewer	\$ 1,416,413
Water Distribution System	780,855
Reuse Water System	510,577
Pond and Roadway Earthwork	681,576
On & Offsite Storm Conveyance System	610,594
Series 2018 Project Carryover	910,823
Electrical Service Systems (Underground)	303,885
Conservation/Mitigation Areas	358,866
On-site Roadway Improvements	1,556,811
Off-site Roadway and Utility Improvements	311,162
Professional Consulting and Legal Fees	467,801
Contingency (15%)	1,111,191
TOTAL COSTS	\$9,020,533

Proceeds of the Series 2020 Bonds will be utilized to acquire, construct, install and/or equip a portion of the Series 2020 Project as it is completed. As of the end of December of 2019, the Developer estimates it has expended approximately \$[] million towards the Series 2020 Project. The Developer estimates it has expended an additional \$[] million in additional development-related expenditures that are not included as part of the CIP as more fully described under the heading “THE DEVELOPMENT - Land Acquisition/Development Financing.”

The Series 2020 Project is anticipated to complete the District's CIP. The remainder of the Series 2020 Project not funded with net proceeds of the Series 2020 Bonds, will be funded with the Loan (defined herein), proceeds from lot sales and equity contributions by the Developer (see "THE DEVELOPMENT - Land Acquisition/Development Financing"). At the time of issuance of the Series 2020 Bonds, the Developer and the District will enter into the Completion Agreement whereby the Developer will agree to complete those portions of the Series 2020 Project not funded with proceeds of the Series 2020 Bonds or future series of bonds. The District cannot make any representation that the Developer will have sufficient funds to complete the Series 2020 Project.

The status of construction and permitting for the CIP, inclusive of the Series 2020 Project, is outlined in the Engineer's Reports attached hereto as Appendix A. The Consulting Engineer has indicated that all permits necessary to construct the CIP have either been obtained or are expected to be obtained in the ordinary course. In addition to the Engineer's Reports, please refer to "THE DEVELOPMENT - Zoning, Permitting and Environmental" for a more detailed description of the entitlement, zoning and permitting status of the Development.

THE DEVELOPER

The following information herein appearing under the captions "THE DEVELOPER" and "THE DEVELOPMENT" have been furnished by the Developer for inclusion in this Limited Offering Memorandum as a means for the prospective purchasers to understand the anticipated development plan and risks associated with the Development and the provision of infrastructure to the real property within the District. Although believed to be reliable, such information has not been independently verified by the District or its counsel, the Underwriter or its counsel, or Bond Counsel, and no person other than the Developer, subject to certain qualifications and limitations, makes any representation or warranty as to the accuracy or completeness of such information. At the time of the issuance of the Series 2020 Bonds, the Developer will represent in writing that the information herein under the captions "THE DEVELOPER," "THE DEVELOPMENT," and "LITIGATION - The Developer" (as it relates to the Developer) does not contain any untrue statement of a material fact and does not omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading.

The Developer's obligation to pay the Series 2020 Assessments is limited solely to its obligation as a landowner, just as any other landowner within the District. The Developer is not a guarantor of payment on any property within the District and the recourse for the Developer's failure to pay or otherwise comply with its obligations to the District is limited to its ownership interest in the land subject to the Series 2020 Assessments.

The Landowner and Developer

The landowner and developer of the Development is Hanover Lakes, LLC, a Florida limited liability company (the "Developer"). The Developer is a special purpose entity whose primary asset is its interests in the lands comprising the Development. The members of the Developer are Hanover Land Company, LLC (50%), a Florida limited liability company, and Edge Creek, LLC (50%), a Florida limited liability company. Hanover Land Company, LLC is the manager of the Developer and is wholly owned, either directly or indirectly, by members of the Orosz family. Edge Creek, LLC is an equity partner in the Developer and is wholly-owned by Emerson International, Inc., a Florida Corporation ("Emerson").

The Orosz family and Emerson entered into a strategic relationship in 2011 and since then, entities that are part of this strategic relationship have acquired and/or developed in excess of 5,000 residential lots in 20 communities, with sales to many homebuilders operating in the Orlando market (including public homebuilders).

The Orosz Family

In 2007, the Orosz family, which includes William (Bill) Orosz and his three sons, Stephen, Andrew and Matthew, established Hanover Capital Partners, LLC and Hanover Land Company, LLC (collectively referred herein as, “Hanover”), to pursue real estate investment opportunities, with a particular emphasis on industrial and residential acquisition and development. Hanover also acquires office and industrial income properties for its own investment account. Currently, the company has residential land development operations and commercial real estate holdings in the six county Central Florida market and in Western North Carolina. The company has become one of the largest residential merchant land developers in Central Florida. Hanover is currently developing and/or controls more than 5,000 residential lots and actively markets to both public and large private builders. The firm is also an active investor in commercial real estate as well as in a large-scale resort community in North Carolina.

The principals of Hanover have a rich heritage of real estate experience in Central Florida dating back to 1980. Since that time, the management team has built more than 16,000 homes, developed more than 4,000 residential lots, acquired over 1,000,000 square feet of industrial property, and have constructed and sold 30,000 square feet of residential-styled premium office space.

In 1980, William (Bill) Orosz, along with two partners, acquired a minority interest in Catalina Homes, Inc., a small home building company in Orlando, Florida with annual sales of 60 homes. Within four years, the company’s volume had grown to more than 350 homes per year and the company was sold to American Pioneer Savings Bank. Bill Orosz continued to manage the home building operations for American Pioneer growing the subsidiary to more than 1,000 homes annually with operations throughout Florida and in Indianapolis, Indiana. In 1991, the savings bank was closed by the Office of Thrift Supervision and the assets of Catalina were sold, despite the company’s profitability.

Bill Orosz immediately formed Cambridge Homes, Ltd., and acquired two communities in east Orlando. By 2005, the company had grown to more than \$300 million in annual sales with operations in both Orlando, Florida and Charlotte, North Carolina and included in-house mortgage, title and land development subsidiaries. In February 2005, Bill Orosz sold Cambridge Homes to K. Hovnanian Enterprises (NYSE: KHOV), the 6th largest national builder in the country, for \$100 million. Throughout its history, the company received numerous accolades and awards for design excellence, fast track growth and for being one of the top 100 builders in the United States (both by unit count and dollar volume).

In 2010, the Orosz family started Royal Oak Homes, and under Co-Presidents, Stephen and Matthew Orosz, immediately became profitable as Central Florida’s fastest growing company in both 2012 and 2013 (as ranked by the Orlando Business Journal). Within a 3-year period, Royal Oak Homes closed over 500 homes with return on capital, gross margin and income percentages well in excess of traditional peer homebuilder margins. Royal Oak Homes, and its land assets were sold in March 2014 for \$65 million to AV Homes, Inc (NYSE: AVHI). Stephen Orosz and Matthew Orosz stayed on until March of 2017 to continue to manage the AV Homes Central Florida division, which, as of their departure, closed in excess of 1,200 units annually as Central Florida’s 3rd largest homebuilder.

Since the liquidity event in 2014, the Orosz family has been actively acquiring and selling additional residential land opportunities and industrial investment properties, including the Development.

In 2017, the Orosz family started a new homebuilding company, Hanover Family Builders, as a residential production builder serving the five-county Central Florida market. It is currently anticipated that the sole homebuilder in the Development will be Hanover Family Builders. The company currently builds in six (6) communities and anticipates closing more than 200 homes in 2018[2019?].

William (Bill) Orosz, a graduate of Dartmouth College ('71) and the Harvard Business School ('73) moved to Orlando in 1980 to assume the presidency of Catalina Homes, a small private builder with annual unit volume of less than 60 homes per year. Within three years the company had significantly expanded operations building in excess of 250 homes per year at which time the principals of the company sold their interests to American Pioneer Savings Bank. Bill Orosz continued to run the company until 1991 expanding operations throughout the state and acquiring a major builder in Indianapolis, Indiana, Jonathan Homes. During 1989-90, the company achieved annual volumes in excess of 950 units. In 1991, the Resolution Trust Corporation took control of American Pioneer Savings Bank (for capital and liquidity issues unrelated to the building business) and Catalina's operations were terminated.

Subsequently, Bill Orosz formed Cambridge Homes which quickly grew to be one of the largest private home builders in Central Florida and a top ten producer among all builders in the market. Operations were expanded to Charlotte, North Carolina in 1998. The company also created independent land development, title insurance and mortgage businesses to support the operations of the building company. In 2005, Cambridge Homes was sold to K. Hovnanian Enterprises, (NYSE: KHOV), the 6th largest builder in the country. Bill Orosz remained with K. Hovnanian Homes until 2007 to manage the transition.

Bill has remained in a Senior Advisor role participating in quarterly meetings with Royal Oak Homes and will continue in that capacity at Hanover Family Builders.

Stephen W. Orosz is a graduate of Villanova University with a Bachelor of Science in Accounting and received his Masters in Accountancy at the University of Central Florida. Prior to joining the family business, Steve worked for Deloitte & Touche, LLP (Philadelphia) performing audit and advisory services, and in homebuilding with K. Hovnanian Homes (NYSE: KHOV). At K. Hovnanian Homes, Steve was responsible for accounting and financial projections for land development acquisition and development in the Central Florida market.

In 2010, Steve and other members of the Orosz family founded Royal Oak Homes of which Steve was later named Co-President in 2012. At Royal Oak, he was responsible for managing the financial performance of the company which included coordinating all construction/acquisition loan relationships, cash management, and strategic planning. Steve has experience in the acquisition and development of over 20 residential communities totaling over 5,000 lots. In addition, he also has worked with multiple regional financial institutions to obtain more than \$100 million in financing for both horizontal and vertical construction.

In 2014, Royal Oak Homes was sold to AV Homes (NYSE: AVHI), and Steve continued his role as Co-President managing the accounting and financial reporting, human resources, information technology, and general operations for the division until March 2017. The division closed in excess of 1,200 homes annually with revenues in excess of \$350 million and is the 3rd largest homebuilder in Central Florida. In 2017, the Orosz brothers broke ground on another building company, Hanover Family Builders.

Andrew Orosz holds a Bachelor's Degree in Government from the University of Notre Dame (Magna Cum Laude) in addition to Master's Degree in Real Estate (M.S.R.E) from the University of

Florida Warrington College of Business, and Juris Doctor (J.D.) from the University of Florida Levin College of Law (Cum Laude). Prior to joining Hanover Family Builders, Andrew worked in private practice for two of the most prestigious law firms in the region, most recently as a Shareholder with GrayRobinson, P.A. During the course of Andrew's 11 years in private practice, Andrew has advised Florida-based developers, homebuilders, and investors in all phases of a real estate transaction, including contract negotiation, due diligence, land acquisition/disposition, financing, and analysis and procurement of land use approvals and entitlements. As a complement to his transactional practice, Andrew also has significant representative experience in matters dealing with corporate and general business law, including structuring partnerships and joint ventures. Andrew will provide similar guidance to Hanover Family Builders, in addition to overseeing contract administration and management, coordinating governmental affairs, facilitating HOA management and oversight, and providing guidance as corporate secretary and general counsel to the company. Andrew is also currently of counsel with Gray Robinson, P.A.

J. Matthew Orosz is a graduate of Villanova University and received his Masters in Business Administration from the Crummer School at Rollins College with highest honors. Matt began as an operations analyst for JP Morgan Chase in Wilmington, DE. He joined KTR Capital Partners, a private real estate investment trust in Philadelphia, as an investment analyst in 2006 and was responsible for all aspects of the acquisition process in multiple strategic markets.

In 2009, Matt became the Vice-President of Investments for Hanover Capital Partners pursuing a variety of opportunistic investments, primarily within the real estate sector. In 2010, Matt and Steve Orosz launched Royal Oak Homes, as a production homebuilder in Central Florida. As Co-President/Co-Owner at Royal Oak Homes, he was responsible for all land acquisition, sales, marketing, and strategic planning. Under the Orosz leadership, Royal Oak Homes was named by Builder Magazine as the fastest growing homebuilder in the country.

In 2014, Royal Oak Homes was sold to AV Homes (AVHI). Orosz remained as Co-President for the Central Florida division increasing unit volume from 600 units to over 1200 units by 2017. In late 2017, Orosz proudly debuted their newest homebuilding venture, Hanover Family Builders. Matt will remain as Co-President and continues to serve as the Director of Investments for Hanover Capital Partners.

Emerson International, Inc.

Emerson is a private, full-service real estate development company established in 1982 that has developed thousands of residential units and actively owns and manages over 1.1 million square feet of commercial and retail assets throughout Central Florida. Emerson International is recognized as a leader in all aspects of real estate development and management services, including office, multi-family and residential. More information on Emerson can be found by visiting Emerson's website at www.emerson-us.com.

The parent company of Emerson is the Emerson Group ("EG") which is based in the United Kingdom. EG was established by Peter Emerson Jones in 1959 and is recognized as one of the United Kingdom's foremost development companies. EG currently holds over \$1 billion in assets and its' many projects include residential, timeshare, soccer stadiums, shopping centers, malls and resorts worldwide. EG also owns and manages over seven million square feet of commercial properties.

In addition to Emerson, EG's subsidiaries include Orbit Development and Jones Homes. Orbit Development is one of the largest private commercial property developers and investment management companies in the United Kingdom providing high-quality office space for more than 40 years. Jones

Homes is the residential homebuilding subsidiary of EG that currently builds more than 600 homes per year in the United Kingdom. In the United States, subsidiaries of JCH Holdings, LLC (“JCHH”) constructs homes in the Central Florida communities that Emerson and others are actively developing as described in more detail herein. The information appearing below provides a summary of certain of the residential projects in Central Florida that are currently being developed by Emerson and its affiliates or are in final design stages.

Eagle Creek is a master-planned golf course community situated on Narcoossee Road approximately 12 miles north of the Development that is planned to include approximately 2,573 single-family and multi-family for-sale units, a 550-unit apartment community, 200,000 square feet of commercial space, 150-room hotel, golf course, recreational facilities and an elementary school. Development activities commenced in 2004 and to date the golf course and additional recreational facilities have been constructed and approximately 1,500 homes have been sold at prices ranging from \$235,000 to \$1 million. Further, Emerson completed construction of the 550-unit apartment community known as the Sanctuary at Eagle Creek in 2015. Rents currently range from \$1,125 to \$1,560 per month.

Emerson Pointe is a 72-unit luxury single-family home community located on the Butler Chain of Lakes in Orange County, Florida. Development commenced in 2004 and was completed in 2005. Home prices range from approximately \$430,000 to \$3.25 million and lot prices range from \$200,000 to \$1,250,000. Eight (8) home sites remain to be sold.

Emerson Plaza is a high-rise condominium/apartment community located in Seminole County, Florida that includes 118 for-sale and for-rent units in two 12-story towers. Development of Emerson Plaza was started in 2006 and completed in 2010. Sale prices of the condominium units ranged from approximately \$375,000 to \$1 million and rents currently range from \$1,298 to \$2,900 per month.

Split Oak Reserve is a planned 122-unit single-family home community located adjacent to Split Oak Forest Park with water access to both Lake Ajay and East Lake Toho in Orange County, Florida. Development [began] in 2018 and is expected to continue through 2020. Home prices are expected to average \$500,000 and lot prices \$125,000.

Twin Lakes is a 55+ active adult community located in Osceola County, Florida. Development activities commenced in August 2015 and homes sales activity commenced in late May 2016. Twin Lakes is planned to include approximately 2,023 residential units of which approximately 155 homes have been sold. Currently, homes in Twin Lakes are being offered at base prices ranging from approximately \$235,000 to \$575,000. The amenity package is geared towards active adults and planned to include an approximately 22,500 square foot lakefront clubhouse with a restaurant, fitness facility, ballroom and games room, resort-style pool and lap pool, fishing and kayak dock situated on Live Oak Lake, putting green, walking trails, bocce ball, tennis courts, pickle ball, basketball courts, picnic pavilion, kayaking and paddle boarding.

Westport is a planned residential community located in Port Orange, Florida that will include 278 single-family units and 360 apartments (to be known as Sanctuary at Westport). Home prices average \$275,000.

Additional information on the projects described above can be found by visiting Emerson's website at www.emerson-us.com. [MBS to Update]

THE DEVELOPMENT

Overview

Hanover Lakes (the “Development”) is a lakeside community currently under development that encompasses approximately 177 acres and is located in the City of St. Cloud (the “City”), Osceola County, Florida (the “County”). The Development is situated at the intersection of Alligator Lake Road and Hickory Tree Road, approximately three (3) miles south of U.S. 192. Hickory Tree Road is the extension of Narcoossee Road (CR15) south of U.S. 192. The downtown area for the City of St. Cloud is approximately six (6) miles northwest and Lake Nona is located approximately fourteen (14) miles north of the Development. Further, the Development is located approximately twenty-two (22) miles from the Orlando International Airport. The lands within the Development are entirely contained within the boundaries of the District and are planned to include approximately 541 residential units situated on two different lot sizes and recreational amenities (see “THE DEVELOPMENT - Recreational Facilities” herein). Development activities within the Development commenced in July 2017 and sales of finished lots to Hanover Family Builders commenced in the summer of 2018. [As of [], 2020], Hanover Family Builders has purchased 57 lots within the Development. The Developer has also entered into a contract to sell finished lots to Lennar Homes in three “mini-bulk” transactions, as discussed in greater detail below.

The Development is located nearby major roadways which provide access throughout the State. The Florida Turnpike has an interchange providing for northbound travel approximately six (6) miles west at Canoe Creek Road and a full diamond interchange at U.S. 192 approximately ten (10) miles northwest of the Development. State Road 417 (Central Florida Greenway) has a full diamond interchange at Narcoossee Road approximately fourteen (14) miles north. Further, SR 528 (Beach Line) is approximately eighteen (18) miles north of the Development.

The Development is also centrally located to recreational opportunities, shopping, restaurants and healthcare. The area surrounding the development is home to several public, semi-private and private golfing opportunities. Further, the United States Tennis Association completed the construction of a state-of-the-art, 100-plus court tennis facility located in Lake Nona at the end of 2016. In addition to being adjacent to Alligator Lake (approximately 3,406 acres), the Development is also in close proximity to Lake Toho which, with a surface area of nearly 23,000 acres, is the largest lake in Osceola County. Lake Toho and nearby East Lake Toho (12,000 acres) provide boating and other watercraft opportunities as well as world-renowned bass fishing.

Retail and dining opportunities are located along U.S. 192 just northwest of the Development. Big box retailers such as WalMart and Home Depot are located approximately seven (7) miles west of the Development. Further, a Publix, Winn-Dixie and Walgreens are all located just three (3) miles north at the Narcoossee Road and U.S. 192 intersection. The St. Cloud Regional Medical Center is located approximately six (6) miles west and the recently completed Veterans Affairs Medical Center at Lake Nona (the newest of such facility in the United States) is approximately fourteen (14) miles north of the Development.

Land Acquisition/Development Financing

The Developer acquired the acreage within the Development through an assemblage of parcels in 2016 for an aggregate purchase price of \$9.18 million paid in cash.

The Developer has obtained a revolving development loan from a national lending institution in the amount of \$7 million (the “Loan”), which it closed in March of 2018. The Loan accrues interest at a rate of LIBOR plus four and one quarter percent (4.25%) with a floor of four and one quarter percent

(4.25%), matures thirty (30) months from closing, and is secured by a mortgage on all parcels of land comprising the Development. Further, the loan provides for lot releases from the mortgage in the average amount of \$40,667 per lot.

The Developer estimates the total development costs for the Development at [\$25.5] million which is comprised of the \$15.7 million for the CIP and [\$9.8] million additional improvements that are necessary for the Development that are not included in the CIP such as, without limitation, recreational facilities, site work, environmental and other off-site expenses (the “Additional Improvements”). The District has previously utilized net proceeds from the Series 2018 Bonds and will also utilize net proceeds from the Series 2020 Bonds, fund a portion of the CIP in the approximate amount of [\$]. In addition, the Developer will utilize the Loan, proceeds from lot sales and equity to fund the remaining costs of the CIP and all of the Additional Improvements. The Developer estimates it has expended approximately [\$17.3] million in development-related expenditures to date, including [\$12.3] million towards the CIP ([\$] of which is expected to be acquired by the District at closing of the Series 2020 Bonds] and [\$5.0] million towards the Additional Improvements.

[Please provide copies of final, executed loan agreement, note, and mortgage. Also please provide information about how much has been drawn on loan, how much remains to be drawn, if any, and confirmation that everything is in currently in compliance. Also, you may recall that Regions signed a “mortgagee acknowledgment” and a “2. Tri-Party Agreement Relating to Consent to Jurisdiction, Imposition of Special Assessments, and Subordination of Interests” which were prepared by District Counsel. We are assuming they will provide in connection with 2020 deal as well. Just wanted to ensure Regions was in the loop on this.]

Land Use and Phasing Plan

The following table illustrates the Development's current land use and phasing plan, which is subject to change:

Phase	1	2	3	4	5	Total
Single Family 50' - Interior	33	36	58	55	27	209
Single Family 50' - Lake	19	18	29	37	24	127
Single Family 60' - Lake	41	21	54	62	27	205
Total	93	75	141	154	78	541

Development Status

The Developer commenced development activities in July 2017 and approximately \$6.1 million in development expenditures have been incurred to date. The Certificate of Completion for Phases 1 and 2 of the Development was issued on December 6, 2018.

Onsite development of Phase 3 was substantially completed in December 2019. The subdivision plat for Phase 3 will be recorded in January 2020 following the issuance of the certificate of completion by all permitting authorities. The resort-style amenity center for the Development, discussed in greater detail below, is scheduled to be completed in May of 2020. See “RECREATIONAL FACILITIES” herein.

Phases 4 and 5 of the Development have been mass graded. The internal canal system has been fully excavated for these future phases of the project. Construction of Phase 4 of the Development is

underway, with completion scheduled for the fourth quarter of 2020. Phase 5 of the Development is anticipated to be completed in the third quarter of 2021.

Zoning, Permitting and Environmental

Zoning/Permitting. All of the acreage in the Development is currently zoned as low density residential pursuant to the County's Comprehensive Plan which allows for 3.04 units per acre. Such zoning does not sunset and allows for more density than is planned to be developed in the Development.

The Development is included in the City of St. Cloud's service plan and the City of St. Cloud has represented to the Developer that it has sufficient capacity to service the entire Development. The Developer has further reserved water, sewer and reuse capacity for the 309 units planned in Phases 1, 2 and 3 by paying appropriate water and sewer reservation fees. Reservation fees will similarly be paid for Phases 4 and 5 of the Development upon the substantial completion of the same.

Impact fees are paid at the time of obtaining building permits. However, based on a utilities upsizing agreement between the City of St. Cloud and the Developer, a utilities impact fee credit was obtained. The total impact fee credit amounts to \$896,350, which includes total sewer impact fee credits in the amount of \$715,030 and total water impact fee credits in the amount of \$181,320. Additionally, a settlement agreement between the County and the Developer, described in more detail below, resulted in park impact fee credits in the amount of \$533,000. All costs for the aforementioned improvements involving the grant of impact fee credits will be paid for by the Developer and are not included in the CIP or the Series 2020 Project.

In addition to the approvals described above, various permits and approvals are required to complete construction of the CIP and any other improvements required for the Development not included therein. The Engineer's Reports attached hereto as Appendix C includes a list of those permits that have been obtained and those that will need to be obtained to complete the construction of the infrastructure necessary to serve the Development. Upon issuance of the Series 2020 Bonds, the Consulting Engineer will certify that all such permits and approvals not previously obtained are expected to be obtained in the ordinary course of business.

[Prior to the commencement of development of Phases 1 and 2 of the Development, Osceola County Board of County Commissioners recently passed certain ordinances that generally impose a temporary development moratoria (the "Building Moratoria") on the County's acceptance, processing, and consideration of applications for development orders, development permits, and building permits for all properties generally located within the watershed areas of the Alligator Chain of Lakes, which would include the Development. The purpose of the Building Moratoria was for the County to propose and enact a number of restrictions and limitations on the development of waterfront property, which would prospectively include the Development (the "Future Building Restrictions"). In light of the Moratoria and the proposed Future Building Restrictions, the Developer filed a lawsuit against the County in order to ensure that development of the Development would not be subject to the Future Building Restrictions and the Building Moratoria (the "County Lawsuit"). In order to amicably resolve the County Lawsuit, the Developer and the County entered into a Settlement Agreement on July 10, 2017 (the "Settlement Agreement") that provides that the County and the Developer would agree to dismiss the County Lawsuit in consideration for, among other items, (i) the Developer agreeing to deed approximately 1.497 acres of land within the Development known as "Tract C" or the "Park Parcel" to the County for use as a public park open to all residents, including residents of the Development, (ii) the Developer agreeing to construct certain improvements on the Park Parcel, including a boat dock and parking, and maintaining such improvements, (iii) the County agreeing to give the Developer \$533,000 in park impact fee credits which would be transferrable to other projects, (iv) the County agreeing to make certain payments to the

Developer over the course of five years, (v) the County agreeing to cooperate to grant any and all such approvals or authorizations as may be necessary for the Developer to complete the Development as depicted in the site development plan originally approved by the County, with some minor variations (the “SDP”), and (vi) the County further agreeing that the Building Moratoria, the Building Restrictions, and any future restrictions that might otherwise interfere with the Developer’s vested development rights to complete the Development in accordance with the SDP would not apply to the Development. The Developer deeded the Park Parcel to the County at the end of 2017 in accordance with the Settlement Agreement, and subsequently filed motions to dismiss the County Lawsuit, which motions were approved by the Circuit Court on November 21, 2017, effectively dismissing the County Lawsuit. All conditions of the Settlement Agreement are currently being complied with by the Developer and the County.] [Since there are obligations under this agreement that are ongoing, our preference would be to keep this language and just reiterate that all conditions/obligations are still being complied with.]

Environmental. In conjunction with the acquisition of the acreage that comprises the Development, Hanover commissioned a Phase 1 Environmental Site Assessment in December 2014. There were no indications of recognized environmental conditions at the subject site and additional environmental investigations (i.e., Phase II Environmental Site Assessment, including soil and groundwater tests) were not recommended.

Assessment Area

The Development is currently planned to be developed in five phases to ultimately provide infrastructure supporting the development of 541 residential units. The Series 2020 Project consists of a portion of the CIP. As previously discussed under the heading “THE CAPITAL IMPROVEMENT PROGRAM AND THE SERIES 2020 PROJECT,” a portion of the Series 2020 Project will be financed with net proceeds of the Series 2020 Bonds in the estimated amount of \$[5.1] million. It is anticipated that upon completion of the Series 2020 Project, the District’s CIP will be completed.

As more fully discussed under the heading “ASSESSMENT METHODOLOGY,” the Assessment Reports initially allocate the Series 2020 Assessments over approximately 94.21 acres of land which land is generally coterminous with Phases 3, 4, and 5 of the Development. As such acreage is developed and platted, the Series 2020 Assessments are allocated to those parcels that are platted on a first platted, first assessed basis. Based upon the sizing of the Series 2020 Bonds, the Series 2020 Assessments are expected to be allocated to the 373 assessable units anticipated to be located in Phases 3, 4, and 5 of the Development. The Series 2020 Assessments are structured to be paid annually over a 30-year period.

Builders Contract

It is currently anticipated that the principal homebuilder in the Development will be Hanover Family Builders, the homebuilding entity affiliated with the Developer as discussed in more detail under the heading “THE DEVELOPER – The Orosz Family” and “THE DEVELOPMENT – Hanover Family Builders.” The Developer has entered into a contract with Hanover Family Builders granting them the right to construct homes on 149 lots in Phases 1 and 2. To date, Hanover Family Builders has acquired 134 lots pursuant to the existing contract. It is anticipated that the Developer and Hanover Family Builders will enter into additional contracts for additional lots in the Development.

The Developer has also contracted with Lennar Homes to purchase 19 lots in Phases 1 and 2 of the Development, 74 lots in Phase 3 of the Development, and 47 lots in Phase 4 of the Development. Lennar completed the initial takedown of 19 lots in Phases 1 and 2 of the Development in September of 2019 and is anticipated to purchase all 74 of the Phase 3 Lots in February of 2020. The Phase 4 closing

will likely follow in the fourth calendar quarter of 2020, depending on the timing of the completion of the development of Phase 4. It is not anticipated that any additional lots will be sold to Lennar Homes in the Development, with the balance of the available lots being allocated to Hanover Family Builders.

[The sale of lots to both Hanover Family Builders and Lennar Homes are for market rates, with appropriate price escalators to account for the term of the contracts, and otherwise on commercially reasonable terms and conditions.] [We will need copies of the existing builder contracts with Lennar and Hanover, and we would like to provide, as we did on 2018 deal, minimum lot prices. Can you please provide? Are there any liens on the property securing deposit/or any obligations under the Lennar Contract?]

Hanover Family Builders

Hanover Family Builders is a residential home building company established in 2017 which operates throughout Central Florida, with primary ownership by the Orosz family. The Orosz family has successfully owned and operated Cambridge Homes (1991 – 2004) and Royal Oak Homes (2011 – 2014), both of which sold for a combined \$165,000,000. During that time, the Orosz family managed the construction of more than 16,000 homes.

Hanover Family Builders currently builds in nine (9) communities and anticipates closing in excess of 500 homes in 2019, representing Hanover Family Builders' second full year in operation. The company purchases developed lots from Hanover Land Company, LLC and other independent sources on an arm's length basis. The company currently has plans for expansion into ten (10) new communities located in Kissimmee/Osceola, Polk, Lake and Orange Counties over the course of the next several years, and is currently in negotiations for additional positions as well. With a current committed lot inventory of 3,700 lots in Central Florida (the majority of which are off-balance sheet), the company expects to expand considerably in size over the next thirty-six (36) months. This land supply is a dramatic advantage from other builders in the marketplace who have struggled to acquire enough land to maintain operations. Much of the success of Hanover Family Builders operations will be leveraging the same tools and strategies from the prior experience with Royal Oak Homes.

Specifically, the company is targeting first time home-buyers and first time move-up buyers in moderately amenitized communities. This initiative is intended to capitalize on the company's 30-year home building experience in the Central Florida market and to augment the activities of the company's land development operations. Additional information on Hanover Family Builders and the communities it's building in can be found by visiting Hanover Family Builders' website at www.hanoverfamilybuilders.com.

Home Construction/Sales Activity/Project Absorption

Hanover Family Builders has achieved consistent sales activity in the Development, with completed sales of 56 new homes for a blended average sales price across all lot categories of approximately \$340,000. Additionally, Hanover Family Builders has a current backlog of approximately 35 presold homes that are scheduled to close during the first quarter of 2020. Ongoing sales activity has remained steady and on pace with the acquisition of finished lots from the Developer.

Project absorption has been further accelerated by the "mini-bulk" acquisition of finished lots in Phases 1 and 2 by Lennar Homes, and the anticipated purchase by Lennar Homes of finished lots in Phases 3 and 4 of the Development. See "THE DEVELOPMENT – Builder Contracts" herein above.

Absorption and sales projections are based upon estimates and assumptions that are inherently uncertain, though considered reasonable, and are subject to significant business, economic and

competitive uncertainties and contingencies, all of which are difficult to predict. As a result, there can be no assurance that such projections will occur or be realized in the time frames anticipated. See “BONDOWNERS’ RISKS” herein.

[As we did on 2018 deal, we would like actual numbers for lot closings for 2018/2019 for Phases 1 and 2 and projected lot closings for Phases 3-5 into the future (2020 and beyond). In addition, we would like to disclose how many homes are currently under contract with buyers, how many of those homes have been constructed and delivered (closed), and how many homes are currently under construction by Phase. Can you please provide?]

Residential Product Offerings

The Development is being marketed to first-time and move-up homebuyers seeking a highly amenitized lifestyle with easy access to all that central Florida has to offer. The table below illustrates the current product and pricing information for the homes that will be offered by Hanover Family Builders in the Development.

Product Type	Est. Base Square Footages*	Est. Base Prices
Single-Family 50'	1,849 – 3,198	\$265,361 – \$342,361
Single-Family 60'	2,103 – 4,418	\$315,308 – \$452,808

* Gross square footage under roof.

Recreational Facilities

In addition to the many recreational opportunities located outside of and nearby the Development, the Developer has designed an extensive lifestyle amenity package geared towards lakeside living which is planned to include boat access to Alligator Lake and the Kissimmee Chain, homesites with private docks available, resort-style swimming pool and cabana, and beautifully landscaped entrance and grounds.

A signature component of the Development is the integrated canal system that provides direct access to the Alligator Chain of Lakes via a boat lift system. Residents of the Development can launch a boat via a dock in their back yard, or via the community boat ramp, and navigate the integrated canal system to the boat lift. The boat lift will then “lift” the boat out of the internal canal system, and place the boat into Alligator Lake. The homeowners’ association oversees the operation, maintenance, and resident education program regarding the boat lift system.

Construction of the second phase of the amenity package, located adjacent to the main entrance of the Development, includes a resort-style pool and cabana, tot lot, play field, together with associated parking facilities, and is scheduled to be completed by May of 2020.

The current cumulative budget for the amenity package is [\$3.0] million which will be funded entirely by the Developer. The recreational facilities are ultimately planned to be dedicated to the master homeowner's association for ownership, operation and maintenance. See “THE DEVELOPMENT - Land Acquisition/Development Financing” above.

Schools

Based upon current school districting, school children residing in the Development will attend Hickory Tree Elementary School, St. Cloud Middle School and Harmony High School. The elementary and middle schools are located less than five (5) miles from the Development and the high school is approximately ten (10) miles from the Development. However, future capacity limitations or redistricting could result in a change to which schools children residing in the Development would attend. The elementary, middle and high school received an ["B", "A" and "B" rating, respectively from the Florida Department of Education for 2018/19].

Marketing

Both the Developer and Hanover Family Builders will jointly market the Development. The joint marketing program is being finalized and will consist of:

- Extensive billboard and on-site signage highlighting the unique selling proposition of the community
- Joint marketing programs with targeting retailers of outdoor living, boating, skiing, watersports
- Website presence at HanoverFamilyBuilders.com and a designated landing page of HanoverLakes.com which will be the main channel used in direct marketing
- Press releases introducing the Development and highlighting project milestones
- Realtor events
- Community awareness, which will include print advertising, direct mail, social media, email marketing, and radio advertising

The Developer conducts its sales activity out of a sales/welcome center located within the Development currently comprised of [] model homes.

Prospective residents will initially be greeted by Hanover Family Builders sales professionals at the sales/welcome center to provide information regarding the Development and surrounding area, including virtual tours of the product that will be offered in the Development. Hanover Family Builders will construct a minimum of three (3) model homes.

It is anticipated that the marketing activities of Lennar Homes will further bolster traffic the Development. Lennar is similarly intended to use customary directional and monument signage, web-based media, and a full-service model home center within the Development to advertise new home sales within the Development.

Fees and Assessments

Each homeowner will pay annual taxes, assessments, and fees on an ongoing basis as a result of their ownership of property within the District, including ad valorem property taxes, the debt service assessments levied in connection with bonds issued by the District, association fees, and administrative, operation and maintenance assessments levied by the District as described in more detail below.

Property Taxes. The current millage rate for the area of the City where the District is located is 18.8181. Assuming an average home price in the Development of approximately \$300,000 with a \$50,000 homestead exemption (\$250,000 taxable value), the annual property tax would be approximately \$4,704.53.

Homeowner's Association Fees. All homeowners will be subject to annual homeowner's association ("HOA") fees for the architectural review, deed restriction enforcement, as well as operation and maintenance of any HOA-owned facilities including the recreational amenities. The Developer estimates that the annual HOA fee for the interior lots and lake lots will be approximately \$900.00 per year. See "THE DEVELOPMENT- Recreational Facilities" above.

District Special Assessments. Future homes in Phases 3, 4, and 5 are anticipated to fully absorb and be subject to the Series 2020 Assessments levied in connection with the Series 2020 Bonds. In addition, all homeowners in the District will be subject to annual operation and maintenance assessments levied by the District which are derived from the District's annual budget and are subject to change each year. The table below illustrates the aforementioned annual assessments (estimated in the case of the operation and maintenance assessments at build-out) that will be levied by the District for each of the respective product type.

	Gross Annual Series 2020 Assessments	Estimated Annual Operation and Maintenance Assessments
Single-Family 50' - Interior	[\$ 761	\$610
Single-Family 50' - Lake	1,094	610
Single-Family 60' - Lake	1,094]	730

As noted, certain of the amounts set forth in the tables above are estimates. It is anticipated that funds derived from the operation and maintenance assessments described above will be used by the District primarily to pay for maintenance of District-owned facilities and administrative overhead and operating expenses including, without limitation, District management, insurance, maintenance and supplies. Furthermore, it is anticipated that funds derived from the HOA fees described above will be used by such association primarily to pay for architectural review fees, deed restriction, as well as operation and maintenance of any HOA-owned facilities. The assessments imposed by the District for its administrative, operation and maintenance costs will vary annually, based on the adopted budget of the District for a particular fiscal year. Similarly, the HOA's fee will vary annually, based on the budget adopted by the HOA for a particular year.

Utilities

The City of St. Cloud provides water, sewer and reuse services to the Development. Orlando Utilities Commission provides electrical power to the Development. Florida Public Utilities serves the Development with natural gas. Charter / Spectrum is the principal provider of phone, television, and Internet service to the Development, although the developer does not maintain an exclusive agreement with Charter / Spectrum in this regard.

Competition

The Development is expected to compete with other first-time and move-up homebuyer communities in the sub-market in which it is located, including Grammercy Farms by KB Home, Turtle Creek by Dream Finders Homes and D.R. Horton, and Hickory Grove by AV Homes. However, there are only a handful of projects in Central Florida that offer a comparable combination of amenities at price points significantly higher. The Developer expects that primary competition for the Development will come from the projects listed below. The information in this section has been obtained from third parties

and public sources believed to be accurate, but cannot be certified as to its accuracy and is subject to change.

Live Oak Lake. Live Oak Lake is a new development by Pulte Homes, located near the intersection of Highway 192 and Narcoossee Road in St. Cloud, approximately 3 miles from the Development. The Live Oak Lake community is located adjacent to Live Oak Lake, and features an internal lake / pond, providing for lots located on various water bodies, in addition to conservation areas. However, unlike the Development, Live Oak Lake does not provide for direct access to either the internal pond, or to Live Oak Lake, which serves to differentiate the Development by virtue of its direct access to Alligator Lake. Pulte is currently advertising 12 designs for sale in Live Oak Lake, with starting prices ranging from approximately \$250,000 to \$375,000. Live Oak Lake also includes a CDD with a resort-style amenity. More information on Live Oak Lake can be obtained by following the appropriate link at: <https://www.pulte.com/homes/florida/orlando/st-cloud>.

Twin Lakes. Twin Lakes is a 55+ active adult community located on both the east and west side of Hickory Tree Road, approximately one and one-half (1 ½) miles north of the Development. The equity partner of the Developer, Emerson, is also affiliated with the developer of Twin Lakes and Jones Homes USA, the homebuilding entity affiliated with Emerson and its parent company, is anticipated to be the sole homebuilder. Twin Lakes is planned to include approximately 2,023 residential units of which approximately 155 homes have been sold. Currently, homes in Twin Lakes are being offered at base prices ranging from approximately \$235,000 to \$575,000. The amenity package is geared towards active adults and planned to include an approximately 22,500 square foot lakefront clubhouse with a restaurant, fitness facility, ballroom and games room, resort-style pool and lap pool, fishing and kayak dock situated on Live Oak Lake, putting green, walking trails, bocce ball, tennis courts, pickle ball, basketball courts, picnic pavilion, kayaking and paddle boarding. More information on Twin Lakes can be obtained by visiting www.joneshomesusa.com/twin-lakes.

Bellalago. Bellalago is a master-planned lakeside community being developed by AV Homes that is located on the shoreline of Lake Tohopekaliga in the City of Kissimmee in Osceola County, Florida approximately twenty-four (24) miles west of the Development. Bellalago is planned to include approximately 2,450 residential units of which approximately 1,883 homes have been sold according to the last quarterly report filed on EMMA (Bellalago Educational Facilities Benefit District). AV Homes is currently offering homes at base prices ranging from approximately \$232,000 to \$534,000. Recreational amenities include a 1,300-ft boardwalk with a gazebo, a boat ramp/lift, a pair of multi-million-dollar clubhouses with state-of-the-art fitness centers, multi-pool aquatic centers, children's water parks and tot lots, tennis and basketball courts, a band shell, and walking and biking trails. In addition, the community features its own K-8 charter school, Bellalago Academy. More information on Bellalago can be obtained by visiting <http://www.avhomesinc.com/communities/bellalago>.

This section does not purport to summarize all of the existing or planned communities in the area of the Development, but rather to provide a description of those that the Developer feels pose primary competition to the Development. [MBS to update.]

DESCRIPTION OF THE SERIES 2020 BONDS

General Description

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 principal amounts of \$100,000 or integral multiples of Authorized Denominations in excess of \$100,000.

The Series 2020 Bonds will be dated and will bear interest payable on each May 1 and November 1, commencing May 1, 2020 (each, an “Interest Payment Date”) and shall be computed on the basis of a 360-day year of twelve 30-day months. The Series 2020 Bonds will mature on the dates, in such amounts and at such rates as set forth on the cover page of this Limited Offering Memorandum.

Interest on each Series 2020 Bond will be payable on each Interest Payment Date as heretofore described. Interest shall be paid to the registered owner of Series 2020 Bonds at the close of business on the regular record date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date; 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, the payment of interest and principal or Redemption Price or Amortization Installments shall be made by the Paying Agent to such person, who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the registered owner of a Series 2020 Bond. Except as otherwise applicable to Series 2020 Bonds held pursuant to a book-entry system, any payment of principal, interest or Redemption Price shall be made only upon presentation of the Series 2020 Bond at the designated corporate trust office of the Paying Agent in Orlando, Florida, or any alternate or successor Paying Agent. Except as otherwise applicable to Series 2020 Bonds held in a book-entry system, payment of interest shall be made by check or draft (or by wire transfer to the registered owner if such Owner requests payment by wire transfer 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 owns not less than \$1,000,000 in aggregate principal amount of the Series 2020 Bonds or all of the then Outstanding Series 2020 Bonds). 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 dated date.

The Series 2020 Bonds will initially be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), which will act initially as securities depository for the Series 2020 Bonds and, so long as the Series 2020 Bonds are held in book-entry only form, Cede & Co. will be considered the registered owner for all purposes hereof. See “--Book-Entry Only System” below for more information about DTC and its book-entry only system.

Redemption Provisions for the Series 2020 Bonds

Optional Redemption. The Series 2020 Bonds are subject to redemption prior to maturity at the option of the District in whole or in part on any 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.

Mandatory Redemption in Part. The Series 2020 Bonds maturing on May 1, 20__, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2020 Sinking Fund Account established under the Second Supplement in satisfaction of applicable Amortization Installments (as defined in the Second Supplement) at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>Year</u>	<u>Amortization Installments</u>
	\$

*

*Final maturity

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

<u>Year</u>	<u>Amortization Installments</u>
	\$

*

*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 the Series 2020 Bonds. Amortization Installments are subject to recalculation by the District as the result of the 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 the Master Indenture) so as to reamortize the remaining Outstanding principal balance of all terms of the Series 2020 Bonds so that following such recalculation Debt Service Requirements on the Series 2020 Bonds are in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of all the Series 2020 Bonds, commencing, however, no earlier than the May 1, 20[21] Amortization Installment.

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

(a) on or after the Date of Completion of the Series 2020 Project, by application of moneys transferred from the Series 2020 Acquisition and Construction Account in the Acquisition and Construction Fund established under the Indenture to the Series 2020 Prepayment Subaccount of the Series 2020 Redemption Account 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 of the Series 2020 Redemption Account; or

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

(d) on the date on which the amount on deposit in the Series 2020 Reserve Account, together with other moneys 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 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 and Effect of Redemption

Notice of each redemption of Series 2020 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the Redemption Date to each registered Owner of Series 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 Beneficial 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 moneys 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.

Book-Entry Only System

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

DTC will act as securities depository for the Series 2020 Bonds. The Series 2020 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2020 Bond certificate will be issued for each maturity of the Series 2020 Bonds as set forth in the inside cover of this Limited Offering Memorandum, each in the aggregate principal amount of such maturity and will be deposited with DTC.

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

Purchases of Series 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2020 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2020 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2020 Bonds, except in the event that use of the book-entry system for the Series 2020 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2020 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial

Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2020 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2020 Bond documents. For example, Beneficial Owners of Series 2020 Bonds may wish to ascertain that the nominee holding the Series 2020 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2020 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2020 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2020 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Series 2020 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest on the Series 2020 Bonds, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District and/or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2020 Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2020 Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In such event, Series 2020 Bonds will be printed and delivered to DTC.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2020 BONDS, AS NOMINEE OF DTC, REFERENCE HEREIN TO THE HOLDER OF THE SERIES 2020 BONDS OR REGISTERED OWNERS OF THE SERIES 2020 BONDS SHALL MEAN DTC AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2020 BONDS.

SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020 BONDS

General

The Series 2020 Bonds are payable from and secured by the revenues derived by the District from the Series 2020 Assessments (the “Series 2020 Pledged Revenues”) and amounts in the Series 2020 Pledged Funds (which excludes amounts in the Series 2020 Rebate Account) established by the Indenture.

The Series 2020 Assessments represent an allocation of a portion of the costs of the Series 2020 Project, including bond financing costs, to lands within the District in accordance with the Assessment Reports attached hereto as APPENDIX B.

The Series 2020 Assessments include all Series 2020 Assessments levied and collected by or on behalf of the District pursuant to Section 190.022 of the Act as amended from time to time, together with the interest specified by resolution adopted by the District, the interest specified in Chapter 170 Florida Statutes, as amended, if any such interest is collected by or on behalf of the District, and any applicable penalties collected by or on behalf of the District, together with any and all amounts received by the District from the sale of tax certificates or otherwise from the collection of Delinquent Assessments (as defined in the Indenture). Series 2020 Assessments does not include “special assessments” levied and collected by the District under Section 190.022 of the Act for maintenance purposes or “maintenance special assessments” levied and collected by the District under Section 190.021(3) of the Act.

NEITHER THE SERIES 2020 BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THE SERIES 2020 BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE, INCLUDING, WITHOUT LIMITATION, THE SERIES 2020 PROJECT, BUT SHALL CONSTITUTE A LIEN ONLY ON THE SERIES 2020 TRUST ESTATE AS SET FORTH IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2020 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2020 BONDS SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2020 TRUST ESTATE PLEDGED TO THE SERIES 2020 BONDS, ALL AS PROVIDED IN THE SERIES 2020 BONDS AND IN THE INDENTURE.

Funds and Accounts

The Indenture establishes with the Trustee the following Funds and Accounts: (1) within the Acquisition and Construction Fund, (i) a Series 2020 Acquisition and Construction Account and (ii) a Series 2020 Costs of Issuance Account; (2) within the Debt Service Fund, (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; (3) within the Revenue Fund, a Series 2020 Revenue Account; (4) within the Reserve Fund, a Series 2020 Reserve Account, which account 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; and (5) within the Rebate Fund, a Series 2020 Rebate Account.

Series 2020 Project Account and 2020 Capitalized Interest Account

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 as an exhibit to the Second Supplement. 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 moneys 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 to the Series 2020 Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series 2020 Bonds in accordance with Section 301 of the Second Supplement and in the manner prescribed in the form of Series 2020 Bond attached to the Second Supplement, whereupon the Series 2020 Acquisition and Construction Account shall be closed.

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.

Series 2020 Reserve Account and Series 2020 Reserve Account Requirement

The Series 2020 Reserve Account Requirement is an amount equal to ____% 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 \$_____.

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 in the Second Supplement 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 moneys 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 in the Second Supplement 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) of the Second Supplement) 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 in the Second Supplement.

Anything in the Second Supplement 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.

Flow of Funds; Investments

The Trustee is authorized and directed under the Second Supplement to deposit any and all amounts required to be deposited in the Series 2020 Revenue Account by Section 408 of the Second Supplement or by any other provision of the Master Indenture or the Second Supplement, 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 moneys 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 moneys 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 to the Second Supplement, Section 301 of the Second Supplement, 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 Section 408(d) of the Second Supplement 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 in the Second Supplement or in the Master Indenture to the contrary notwithstanding, moneys on deposit in all of the Funds and Accounts held as security for the Series 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 of the Second Supplement.

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 moneys held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the District 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.

Agreement for Assignment of Development Rights

Contemporaneously with the issuance of the Series 2020 Bonds, the Developer and certain entities affiliated with the Developer (collectively, the “Development Entities”) and the District will enter into a Collateral Assignment and Assumption of Development and Contract Rights (the “Assignment Agreement”). The following is a description of the Assignment Agreement but is qualified in its entirety by reference to the Assignment Agreement. Pursuant to the Assignment Agreement, the Development Entities will collaterally assign to the District certain of such Development Entities’ development rights and contract rights relating to the Development (the “Development and Contract Rights”) as security for the Developer’s payment and performance and discharge of its obligation to pay the Series 2020 Assessments levied against the Lands (as defined in the Assignment Agreement). The assignment will become effective and absolute upon failure of the Developer to pay the Series 2020 Assessments levied against the Lands owned by the Developer. The Development and Contract Rights specifically excludes any such portion of the Development and Contract Rights which relate to any property which has been conveyed to a homebuilder resulting from the sale of any portion of the Lands in the ordinary course of business, the County, the District, any applicable homeowner’s association or other governing entity or association for the benefit of the Development, all as provided in the Assignment Agreement. Pursuant to the Indenture, the District assigns its rights under the Assignment Agreement to the Trustee for the benefit of the Owners, from time to time, of the Series 2020 Bonds.

Notwithstanding the above provisions to the contrary, in the event the District foreclosed on the lands subject to the Series 2020 Assessments as a result of the Developer’s or a subsequent landowner’s failure to pay such Series 2020 Assessments, there is a risk that the District will not have all permits and entitlements necessary to complete the Series 2020 Project or the remaining CIP.

True-Up Agreement

In connection with the issuance of the Series 2020 Bonds, the District and Developer will enter into an agreement pursuant to which the Developer agrees that at the time of recording of any and all plats containing any portion of lands within the District, such plat shall be presented to the District for review, approval and allocation of the Series 2020 Assessments to the units being platted and the remaining property in accordance with the District's Assessment Reports (the "True-Up Agreement"). At the time that involves the platting of acreage representing 25%, 50%, 75% and 100% of the lands subject to the Series 2020 Assessments, the District shall determine if the debt per gross acre remaining on the unplatted land is greater than the debt per gross acre of such land at the time of imposition of the initial assessment, and if it is, a debt reduction payment in the amount of such excess shall become due and payable by the Developer, in addition to the regular assessment installment payable for lands owned by the Developer for that tax year.

Completion Agreement

In connection with the issuance of the Series 2020 Bonds, the District and the Developer will enter into an agreement which generally requires that the Developer complete any unfinished portions of the Series 2020 Project not funded with the net proceeds of the Series 2020 Bonds or a future series of bonds (the "Completion Agreement"). Any obligations of the Developer under the Completion Agreement are unsecured. See "THE DEVELOPER" herein.

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 in the Indenture 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 in the Indenture 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. The Indenture provides that failure of the District to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the Completion Agreement and the 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 without benefit of any period for cure.

Enforcement and Collection of Series 2020 Assessments

The primary source of payment for the Series 2020 Bonds is the Series 2020 Assessments levied on lands within the District, all in accordance with the Series 2020 Assessment Proceedings. At the time of issuance of the Series 2020 Bonds, the Developer owns all lands within the District, except the Park Parcel. See "THE DEVELOPMENT – Zoning, Permitting, and Environmental". To the extent that the Developer or any other landowner, or any successor landowners, fail to pay such Series 2020 Assessments, delay payments, or are unable to pay Series 2020 Assessments, the successful pursuit of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2020 Bonds. The Act provides for various methods of collection of delinquent taxes by reference to other provisions of the Florida Statutes. See "THE SERIES 2020 ASSESSMENTS" herein for a summary of payment and collection procedures relating to the Series 2020 Assessments appearing in the Florida Statutes.

The Second Supplement provides that, when permitted by applicable law, the Series 2020 Assessments levied on platted lots and pledged to secure the Series 2020 Bonds shall be collected

pursuant to the uniform method provided for in Sections 197.3632 and 197.3635 Florida Statutes, (the "Uniform Method") and Series 2020 Assessments levied on unplatted lots or lands and pledged to secure the Series 2020 Bonds shall be billed and collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method, in each case unless the District is directed otherwise by the Trustee, acting at the direction of the Majority Owners of the Series 2020 Bonds Outstanding, upon the occurrence and continuance of an Event of Default. All Series 2020 Assessments that are billed and collected directly by the District and not via the Uniform Method shall be due and payable by the landowner no later than thirty (30) days prior to each Interest Payment Date.

The District covenants to comply with the terms of the proceedings adopted with respect to the Series 2020 Assessments, including the Assessment Reports, and to levy the Series 2020 Assessments and any required true-up payments set forth in the Assessment Reports, in such manner as will levy funds sufficient to pay the principal of and interest on the Series 2020 Bonds, when due. The District covenants and agrees that upon the occurrence and continuance of an Event of Default with respect to the Series 2020 Bonds, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of Delinquent Assessments, and the provisions for the foreclosure of liens of Delinquent Assessments, all in a manner consistent with the Indenture.

If any property shall be offered for sale for the nonpayment of any Series 2020 Assessments 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 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 paragraph. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power to and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the Series 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 payment of its fees, costs and expenses for doing so, be required to take the measures provided by law for listing for sale of property acquired by it as trustee for the Owners of the Series 2020 Bonds within sixty (60) days after the receipt of the request therefore signed by the Trustee or the Majority Owners of the Series 2020 Bonds Outstanding. The Trustee may, upon direction from the Majority Owners, pay costs associated with any actions taken by the District pursuant to this paragraph from any moneys legally available for such purpose held under the Indenture.

In the Indenture, the District acknowledges and agrees that (i) upon failure of any property owner to pay when due any installment of Series 2020 Assessments that are billed directly by the District, that the entire Series 2020 Assessments levied on the property for which such installment of Series 2020 Assessments is due and unpaid, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and the District shall promptly, but in any event within one hundred twenty (120) days, cause to be brought the necessary legal proceedings for the foreclosure of liens of Delinquent Assessments, including interest and penalties and (ii) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by Florida law in suits to foreclose mortgages.

Limitation on Additional 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 that so long as the Series 2020 Assessments have not been Substantially Absorbed, 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.

The Second Supplement defines “Substantially Absorbed” as meaning the date on which the principal amount of the Series 2020 Assessments equaling 90% of the then Outstanding principal amount of the Series 2020 Bonds is levied on tax parcels within [Phases 3, 4, and 5] of the Development with respect to which a certificate of occupancy has been issued for a structure thereon and are owned by end users, as certified by an Authorized Officer and upon which the Trustee may conclusively rely.

Events of Default With Respect to the Series 2020 Bonds

Each of the following shall be an “Event of Default” under the Indenture, with respect to the Series 2020 Bonds:

- (a) Any payment of Debt Service on the Series 2020 Bonds is not made when due;
- (b) The District shall for any reason be rendered incapable of fulfilling its obligations under the Indenture relating to the Series 2020 Bonds;
- (c) The District admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself or for the whole or any part of the Series 2020 Project;
- (d) The District is adjudged insolvent by a court of competent jurisdiction, or is adjudged bankrupt on a petition in bankruptcy filed against the District, or an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the District, a receiver or trustee of the District or of the whole or any part of its property and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof;
- (e) The District shall file a petition or answer seeking reorganization or any arrangement under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof;
- (f) Under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District's assets or any part thereof, and such custody or control shall not be terminated within ninety (90) days from the date of assumption of such custody or control;
- (g) Any portion of the Series 2020 Assessments pledged to the Series 2020 Bonds shall have become Delinquent Assessments and, as the result thereof, the Indenture provides for the Trustee to

withdraw funds in an amount greater than twenty-five percent (25%) of the amount on deposit in the Series 2020 Reserve Account to pay Debt Service on the Series 2020 Bonds (regardless of whether the Trustee does or does not, per the direction of the Majority Owners, actually withdraw such funds from the Series Reserve Account to pay Debt Service on the corresponding Series of Bonds);

(h) The District shall default in the due and punctual performance of any of the material covenants, conditions, agreements and provisions contained in the Series 2020 Bonds or in the Master Indenture or in the Second Supplement relating to such Series 2020 Bonds on the part of the District to be performed (other than a default in the payment of Debt Service on the related Series of Bonds when due, which is an Event of Default under subsection (a) above) and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the District by the Trustee or, if the Trustee is unwilling or unable to act, by Owners of not less than ten percent (10%) in aggregate principal amount of the Series 2020 Bonds then Outstanding and affected by such default; and

(i) More than twenty percent (20%) of the Operation and Maintenance Assessments levied by the District on tax parcels subject to Series 2020 Assessments pledged to the Series 2020 Bonds are not paid by the date such are due and payable.

Provisions Relating to Bankruptcy or Insolvency of Landowner

(a) The provision of this section shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to at least five percent (5%) of the Series 2020 Assessments pledged to the Series 2020 Bonds Outstanding (an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a "Proceeding").

(b) The District acknowledges and agrees in the Indenture that, although the Series 2020 Bonds were issued by the District, the Owners of the Series 2020 Bonds are categorically the party with the ultimate financial stake in the transaction and, consequently, the party with a vested and pecuniary interest in a Proceeding. In the event of any Proceeding involving an Insolvent Taxpayer:

(i) the District agrees in the Indenture that it shall seek to secure the written direction of the Trustee, acting at the direction of the Majority Owners of the Series 2020 Bonds Outstanding prior to making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2020 Assessments relating to the Series 2020 Bonds Outstanding, the Outstanding Series 2020 Bonds or any rights of the Trustee under the Indenture (provided, however, Trustee shall be deemed to have given such direction, on behalf of the Majority Owners of the Series 2020 Bonds Outstanding, to the proposed action if the District does not receive a written direction from the Trustee within thirty (30) days following request for consent);

(ii) the District agrees in the Indenture that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2020 Assessments relating to the Series 2020 Bonds Outstanding, the Series 2020 Bonds Outstanding or any rights of the Trustee under the Indenture that are inconsistent with any written direction received (or deemed received) from the Trustee;

(iii) the District agrees in the Indenture that it shall seek the written direction of the Trustee prior to filing and voting in any such Proceeding (provided, however, Trustee shall be deemed to have given such direction, on behalf of the Majority Owners of the Series 2020 Bonds Outstanding, to the proposed action if the District does not receive a written direction from the Trustee within thirty (30) days following request for consent);

(iv) the Trustee shall have the right, by interpleader or otherwise, to seek or oppose any relief in any such Proceeding that the District, as claimant with respect to the Series 2020 Assessments relating to the Series 2020 Bonds Outstanding would have the right to pursue, and, if the Trustee chooses to exercise any such rights, the District shall not oppose the Trustee in seeking to exercise any and all rights and taking any and all actions available to the District in connection with any Proceeding of any Insolvent Taxpayer, including without limitation, the right to file and/or prosecute and/or defend any claims and proofs of claims, to vote to accept or reject a plan, to seek dismissal of the Proceeding, to seek stay of relief to commence or continue foreclosure or pursue any other available remedies as to the Series 2020 Assessments relating to the Series 2020 Bonds Outstanding, to seek substantive consolidation, to seek to shorten the Insolvent Taxpayer's exclusivity periods or to oppose any motion to extend such exclusivity periods, to oppose any motion for use of cash collateral or for authority to obtain financing, to oppose any sale procedures motion or any sale motion, to propose a competing plan of reorganization or liquidation, or to make any election under Section 1111(b) of the Bankruptcy Code; and

(v) the District shall not challenge the validity or amount of any claim submitted in good faith in such Proceeding by the Trustee or any valuations of the lands owned by any Insolvent Taxpayer submitted in good faith by the Trustee in such Proceeding or take any other action in such Proceeding, which is adverse to Trustee's enforcement of the District's claim and rights with respect to the Series 2020 Assessments relating to the Series 2020 Bonds Outstanding or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the District agrees that the Trustee shall have the right (i) to file a proof of claim with respect to the Series 2020 Assessments pledged to the Series 2020 Bonds Outstanding, (ii) to deliver to the District a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) to defend any objection filed to said proof of claim.

The District acknowledges and agrees that it shall not be a defense to a breach of the foregoing covenants that it has acted on advice of counsel in not complying with the foregoing covenants.

(c) Notwithstanding the provisions of the immediately preceding paragraphs, nothing in Section 913 of the Second Supplement shall preclude the District from becoming a party to a Proceeding in order to enforce a claim for Operation and Maintenance Assessments, and the District shall be free to pursue such a claim in such manner as it shall deem appropriate in its sole and absolute discretion. Any actions taken by the District in pursuance of its claim for Operation and Maintenance Assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the Series 2020 Assessments relating to the Series 2020 Bonds Outstanding whether such claim is pursued by the District or the Trustee; provided, however, that the District shall not oppose any relief sought by the Trustee under the authority granted to the Trustee in clause (b)(iv) of the paragraph above.

Re-Assessment

Pursuant to the Indenture, if any Series 2020 Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the District shall be satisfied that any such Series 2020 Assessment is so irregular or defective that it cannot be enforced or collected, or if the District shall have omitted to make such Series 2020 Assessment when it might have done so, the District shall either: (i) take all necessary steps to cause a new Series 2020 Assessment to be made for the whole or any part of said improvement or against any property benefited by said improvement; or (ii) in its sole discretion, make up the amount of such Series 2020 Assessment from legally available moneys, which moneys shall be deposited into the Series 2020 Revenue Account. In case any such subsequent Series 2020 Assessment shall also be annulled, the District shall obtain and make other Series 2020 Assessments until a valid Series 2020 Assessment shall be made.

THE SERIES 2020 ASSESSMENTS

General

The primary source of payment for the Series 2020 Bonds is the collection of Series 2020 Assessments imposed on certain lands in the District specially benefited by the Series 2020 Project pursuant to the Series 2020 Assessment Proceedings. See “ASSESSMENT METHODOLOGY” herein and “APPENDIX B: ASSESSMENT REPORTS.”

The imposition, levy, and collection of Series 2020 Assessments must be done in compliance with the provisions of Florida law. Failure by the District, the Osceola County Tax Collector (“Tax Collector”) or the Osceola County Property Appraiser (“Property Appraiser”) to comply with such requirements could result in delay in the collection of, or the complete inability to collect, Series 2020 Assessments during any year. Such delays in the collection of Series 2020 Assessments, or complete inability to collect any Series of the Series 2020 Assessments, would have a material adverse effect on the ability of the District to make full or punctual payment of the debt service requirements on the Series 2020 Bonds. See “BONDOWNERS’ RISKS.” To the extent that landowners fail to pay the Series 2020 Assessments, delay payments, or are unable to pay the same, the successful pursuance of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2020 Bonds.

For the Series 2020 Assessments to be valid, the Series 2020 Assessments must meet two requirements: (1) the benefit from the Series 2020 Project to the lands subject to the Series 2020 Assessments must exceed or equal the amount of the Series 2020 Assessments, and (2) the Series 2020 Assessments must be fairly and reasonably allocated across all such benefitted properties. The Certificate of the Assessment Consultant, to be delivered at closing of the Series 2020 Bonds, will certify that these requirements have been met with respect to the Series 2020 Assessments. In the event that the Series 2020 Assessments are levied based on the assumptions that future contributions will be made, or that future assessments may be levied to secure future bond issuances, the Series 2020 Assessments may need to be reallocated in the event such contributions are not made and/or future assessments and bonds are not levied and issued.

Pursuant to the Act, and the Series 2020 Assessment Proceedings, the District may collect the Series 2020 Assessments through a variety of methods. See “BONDOWNERS’ RISKS.” Initially, and for undeveloped properties owned by the Developer and subsequent landowners, the District will directly issue annual bills to landowners requiring payment of the Series 2020 Assessments, and will enforce that bill through foreclosure proceedings. See “ASSESSMENT METHODOLOGY” and “APPENDIX B:

ASSESSMENT REPORTS.” As lands are developed, the Series 2020 Assessments will be added to the County tax roll and collected pursuant to the Uniform Method. The following is a description of certain statutory provisions relating to each of these collection methods. Such description is not intended to be exhaustive and is qualified in its entirety by reference to such statutes.

THERE CAN BE NO ASSURANCE THAT ANY SALE OF LAND SUBJECT TO DELINQUENT ASSESSMENTS WILL PRODUCE PROCEEDS SUFFICIENT TO PAY THE FULL AMOUNT OF SUCH DELINQUENT ASSESSMENTS PLUS OTHER DELINQUENT TAXES AND ASSESSMENTS APPLICABLE THERETO.

Chapter 170, Florida Statutes provides that the Series 2020 Assessments constitute a lien on the real property in the District co-equal with all State, County, district and municipal taxes, superior in dignity to all other liens, titles and claims on such real property, until paid, and that the Series 2020 Assessments may be collected as and when needed in an amount sufficient to pay the principal of and interest on the Series 2020 Bonds when due. ALTHOUGH THE LIEN AND THE PROCEEDS OF THE SERIES 2020 ASSESSMENTS WILL SECURE THE SERIES 2020 BONDS, AND SAID LIEN AND PROCEEDS OF THE SERIES 2020 ASSESSMENTS ARE PLEDGED TO THE SERIES 2020 BONDS, THE LIEN OF THE SERIES 2020 ASSESSMENTS MAY BE ON THE SAME PROPERTY AS, AND THEREFOR OVERLAP AND BE CO-EQUAL WITH, THE LIENS IN FAVOR OF OTHER ASSESSMENTS AND/OR TAXES WHICH HAVE BEEN OR MAY BE IMPOSED BY THE DISTRICT, THE COUNTY OR OTHER UNITS OF LOCAL GOVERNMENT HAVING ASSESSMENT POWERS WITHIN THE DISTRICT.

Structure and Prepayment of Series 2020 Assessments

The Series 2020 Assessments are payable in substantially equal annual installments of principal and interest over an approximately 30-year period. According to the Series 2020 Assessment Proceedings, a property owner may prepay the Series 2020 Assessments, in whole, at any time or any portion of the remaining balance of the Series 2020 Assessments one (1) time if there is also paid in addition to the remaining principal balance of the Series 2020 Assessment an amount equal to the interest that would otherwise be due on such balance on the next succeeding Interest Payment Date for the Series 2020 Bonds, or, if prepaid during the forty-five (45) day period preceding the Interest Payment Date, to the next succeeding Interest Payment Date.

The Series 2020 Bonds are subject to extraordinary mandatory redemption as indicated under “DESCRIPTION OF THE SERIES 2020 BONDS - Redemption Provisions for the Series 2020 Bonds,” from such Prepayments at the redemption price of par plus accrued interest to the date of such redemption. The prepayment of Series 2020 Assessments does not entitle the owner of the property to a discount for early payment.

Assessment Methodology

The District's Methodology Consultant, Moyer Management Group, Inc., has developed a Master Assessment Report dated January 3, 2018, (the “Master Report”) which is attached hereto as Appendix B, that allocates the total benefit derived from the District's CIP to the benefitted lands in the District. In addition, the Methodology Consultant has developed the Second Supplemental Assessment Report, which supplements the Master Report, also attached hereto in Appendix B (the “Supplemental Report” and together with the Master Report, the “Assessment Reports”). The Assessment Reports set forth an overall method for allocating the Series 2020 Assessments to be levied against certain lands in the District benefitted by the Series 2020 Project. The Assessment Reports initially allocate the Series 2020 Assessments over approximately 94.21 gross acres of land within the district which are generally co-

terminous with Phases 3, 4, and 5 of the Development. As such gross acreage in the District is developed and platted, the Series 2020 Assessments will be allocated on a per unit basis to those parcels that are platted. The Series 2020 Assessments initially levied on unplatted gross acreage are allocated on an equal assessment per gross acre basis. Based upon the sizing of the Series 2020 Bonds, the Series 2020 Assessments are expected to be allocated to the 373 assessable units anticipated to be located in Phases 3, 4, and 5 and platting of Phase 3 is anticipated to occur in [], with platting of Phases 4 and 5 anticipated to occur in []. The Series 2020 Assessments are structured to be paid annually over a thirty (30) year period.

The Series 2020 Assessment levels are based on targeted annual assessment levels provided by the Developer. In order to achieve these targeted levels under the methodology in the Assessment Reports, the Developer will contribute CIP infrastructure to the District in an estimated amount equal to \$[5,654,124]. As of [], the Developer has already contributed approximately [\$] to the District. See the Supplemental Report attached hereto as Appendix B for further details.

Collection and Enforcement of Assessments; Direct Billing & Foreclosure Procedure

The Second Supplement provides that Series 2020 Assessments levied on unplatted lots or lands and pledged to secure the Series 2020 Bonds shall be billed and collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method (discussed hereinbelow), in each case unless the District is directed otherwise by the Trustee, acting at the direction of the Majority Owners of the Series 2020 Bonds Outstanding, upon the occurrence and continuance of an Event of Default. All Series 2020 Assessments that are billed and collected directly by the District and not via the Uniform Method shall be due and payable by the landowner no later than thirty (30) days prior to each Interest Payment Date.

As noted above, and pursuant to Chapters 170 and 190, *Florida Statutes*, the District may directly levy, collect and enforce the Series 2020 Assessments. In this context, Section 170.10, *Florida Statutes*, provides that upon the failure of any property owner to timely pay all or any part of the annual installment of principal and/or interest of a special assessment due, including the Series 2020 Assessments, the whole assessment, with the interest and penalties thereon, shall immediately become due and payable and subject to foreclosure. Generally stated, the governing body of the entity levying the special assessment, in this case the District, may foreclose by commencing a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or, alternatively, by commencing an action under Chapter 173, *Florida Statutes*, which relates to foreclosure of municipal tax and special assessment liens. Such proceedings are in rem, meaning that the action would be brought against the land, and not against the landowner. In light of the one year tolling period required before the District may commence a foreclosure action under Chapter 173, *Florida Statutes*, it is likely the District would commence an action to foreclose in the same manner as the foreclosure of a real estate mortgage rather than proceeding under Chapter 173, *Florida Statutes*.

Enforcement of the obligation to pay Series 2020 Assessments and the ability to foreclose the lien of such Series 2020 Assessments upon the failure to pay such Series 2020 Assessments may not be readily available or may be limited because enforcement is dependent upon judicial action which is often subject to discretion and delay. Additionally, there is no guarantee that there will be demand for any foreclosed lands sufficient to repay the Series 2020 Assessments. See “BONDOWNERS’ RISKS.”

Certain mortgage lenders have, in recent foreclosure suits brought under Chapter 170, *Florida Statutes*, by community development districts, plead a defense stating that a foreclosing district must abide by the same one (1) year period as Chapter 173, *Florida Statutes*, in order to begin foreclosure

proceedings. The defense is, apparently, based upon recent amendments to Section 190.026, *Florida Statutes*, where, in an apparent attempt to clarify that not only Chapter 173, *Florida Statutes*, was available to districts for foreclosure, but that also Chapter 170, *Florida Statutes*, was available, that statute's language became less clear regarding the inapplicability of the one (1) year waiting period for districts employing Chapter 170, *Florida Statutes*. To the extent that community development districts have taken a position on this, they have generally asserted that the one (1) year waiting period does not apply to Chapter 170, and at least one (1) Circuit Court has agreed.

Collection and Enforcement of Assessments; Uniform Method Procedure

The Second Supplement provides that, when permitted by applicable law, the Series 2020 Assessments levied on platted lots and pledged to secure the Series 2020 Bonds shall be collected pursuant to the uniform method provided for in Sections 197.3632 and 197.3635 *Florida Statutes*, (the "Uniform Method") unless the District is directed otherwise by the Trustee, acting at the direction of the Majority Owners of the Series 2020 Bonds Outstanding, upon the occurrence and continuance of an Event of Default. The Uniform Method of collection is available only in the event the District complies with statutory and regulatory requirements and enters into agreements with the Tax Collector and Property Appraiser providing for the Series 2020 Assessments to be levied and then collected in this manner.

If the Uniform Method of collection is used, the Series 2020 Assessments will be collected together with County, school, special district, and other ad valorem taxes and non-ad valorem assessments (together, "Taxes and Assessments"), all of which will appear on the tax bill (also referred to as a "tax notice") issued to each landowner in the District. The statutes relating to enforcement of Taxes and Assessments provide that such Taxes and Assessments become due and payable on November 1 of the year when assessed, or as soon thereafter as the certified tax roll is received by the Tax Collector, and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such taxes and assessments – including the Series 2020 Assessments – are to be billed, and landowners in the District are required to pay, all Taxes and Assessments without preference in payment of any particular increment of the tax bill, such as the increment owing for the Series 2020 Assessments.

All Taxes and Assessments are payable at one time, except for partial payment schedules as may be provided by Florida law such as Sections 197.374 and 197.222, *Florida Statutes*. Partial payments made pursuant to Sections 197.374 and 197.222, *Florida Statutes*, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. Therefore, in the event the Series 2020 Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item, would cause the Series 2020 Assessments to not be collected to that extent, which could have a significant adverse effect on the ability of the District to make full or punctual payment of the debt service requirements on the Series 2020 Bonds.

Under the Uniform Method, if the Series 2020 Assessments are paid during November when due or during the following three months, the taxpayer is granted a variable discount equal to 4% in November and decreasing one percentage point per month to 1% in February. All unpaid Taxes and Assessments become delinquent on April 1 of the year following assessment.

The Tax Collector is required to collect the Taxes and Assessments on the tax bill prior to April 1 and, after that date, to institute statutory procedures upon delinquency to collect such Taxes and Assessments through the sale of "tax certificates," as discussed below. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process. Neither the District nor the Underwriter can give any assurance to the holders of the Series 2020 Bonds (1) that the past experience of the Tax

Collector with regard to tax and special assessment delinquencies is applicable in any way to the Series 2020 Assessments, (2) that future landowners and taxpayers in the District will pay such Series 2020 Assessments, (3) that a market may exist in the future for tax certificates in the event of sale of such certificates for taxable units within the District, and (4) that the eventual sale of tax certificates for real property within the District, if any, will be for an amount sufficient to pay amounts due under the Assessment Proceedings to discharge the lien of the Series 2020 Assessments and all other liens that are coequal therewith.

Collection of delinquent Series 2020 Assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the Series 2020 Assessments due. Prior to the sale of tax certificates, the landowner may bring current the delinquent Taxes and Assessments and cancel the tax certificate process by paying the total amount of delinquent Taxes and Assessments plus the cost of advertising and the applicable interest charge on the amount of such delinquent Taxes and Assessments. If the landowner does not act, the Tax Collector is required to attempt to sell tax certificates by public bid to the person who pays the delinquent Taxes and Assessments owing, penalties and interest thereon and certain costs, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than 18%).

If there are no bidders, the tax certificate is issued to the County. The County is to hold, but not pay for, the tax certificate with respect to the property, bearing interest at the maximum legal rate of interest, which is currently 18%. The Tax Collector does not collect any money if tax certificates are issued, or struck off, to the County. The County may sell such certificates to the public at any time after issuance, but before a tax deed application is made, at the face amount thereof plus interest at the rate of not more than 18% per annum, costs and a fee. Proceeds from the sale of tax certificates are required to be used to pay Taxes and Assessments (including the Series 2020 Assessments), interest, costs and charges on the real property described in the certificate.

Any tax certificate in the hands of a person other than the County may be redeemed and canceled, in whole or in part (under certain circumstances), at any time before a tax deed is issued (unless full payment for a tax deed is made to the clerk of court, including documentary stamps and recording fees), at a price equal to the face amount of the certificate or portion thereof together with all interest, costs, and charges due. Regardless of the interest rate actually borne by the certificates, persons redeeming tax certificates must pay a minimum interest rate of 5%, unless the rate borne by the certificates is zero percent. The proceeds of such a redemption are paid to the Tax Collector who transmits to the holder of the tax certificate such proceeds less service charges, and the certificate is canceled. Redemption of tax certificates held by the County is effected by purchase of such certificates from the County, as described above.

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

the Tax Collector but not any amount to redeem any other outstanding certificates covering the land. Thereafter, the property is advertised for public sale.

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

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

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

There can be no guarantee that the Uniform Method will result in the payment of Series 2020 Assessments. For example, the demand for tax certificates is dependent upon various factors, which include the rate of interest that can be earned by ownership of such certificates and the underlying value of the land that is the subject of such certificates and which may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the property within the District may affect the demand for certificates and the successful collection of the Series 2020 Assessments, which are the primary source of payment of the Series 2020 Bonds. Additionally, legal proceedings under Federal bankruptcy law brought by or against a landowner who has not yet paid his or her property taxes or assessments would likely result in a delay in the sale of tax certificates. See “BONDOWNERS’ RISKS.”

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ESTIMATED SOURCES AND USES OF THE SERIES 2020 BOND PROCEEDS

Sources:

Par Amount of Series 2020 Bonds	\$ _____
Plus Bond Premium/Minus Original Issue Discount	_____
Total Sources	\$ _____

Uses:

Deposit to Series 2020 Acquisition and Construction Account	\$ _____
Deposit to Series 2020 Capitalized Interest Account	_____
Deposit to Series 2020 Reserve Account	_____

Deposit to Series 2020 Costs of Issuance Account
Underwriter's Discount

Total Uses

\$ _____

[Remainder of page intentionally left blank]

The following table sets forth the scheduled debt service on the Series 2020 Bonds:

DEBT SERVICE REQUIREMENTS

<u>Period Ending November 1,</u>	<u>Series 2020 Principal</u>	<u>Series 2020 Interest</u>	<u>Total Series 2020 Debt Service</u>
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Total

[Remainder of page intentionally left blank]

BONDOWNERS' RISKS

There are certain risks inherent in an investment in bonds secured by special assessments issued by a public authority or governmental body in the State. Certain of these risks are described in the section above entitled "THE SERIES 2020 ASSESSMENTS"; however, certain additional risks are associated with the Series 2020 Bonds offered hereby. This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2020 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum including all appendices hereto in its entirety to identify investment considerations relating to the Series 2020 Bonds.

(a) Until further development and home closings take place in the Development, payment of the majority of the Series 2020 Assessments is dependent upon their timely payment by the Developer. At closing of the sale of the Series 2020 Bonds it is expected that lands within the District subject to the Series 2020 Assessments will continue to be owned either directly or indirectly by the Developer. In the event of the institution of bankruptcy or similar proceedings with respect to the Developer or any other subsequent significant owner of property within the District, delays could most likely occur in the payment of Debt Service on the Series 2020 Bonds as such bankruptcy could negatively impact the ability of: (i) the Developer and any other landowner being able to pay the Series 2020 Assessments; (ii) the District to foreclose the lien on the Series 2020 Assessments if tax certificates are not sold; and (iii) the County to sell tax certificates in relation to such property (in the case of (ii) and (iii) to the extent that any portion of the Series 2020 Assessments are being collected by the Uniform Method). In addition, the remedies available to the Beneficial Owners of the Series 2020 Bonds upon an Event of Default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, during a bankruptcy of the Developer, the remedies specified by federal, state and local law and in the Indenture and the Series 2020 Bonds, including, without limitation, enforcement of the obligation to pay the Series 2020 Assessments may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2020 Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The inability, either partially or fully, to enforce remedies available respecting the Series 2020 Bonds could have a material adverse impact on the interest of the Beneficial Owners thereof. The failure of a landowner to pay the required Series 2020 Assessments on its property will not result in an increase in the amount of Series 2020 Assessments other landowners are or would be required to pay.

(b) The principal security for the payment of the principal of and interest on the Series 2020 Bonds is the timely collection of the Series 2020 Assessments. The Series 2020 Assessments do not constitute a personal indebtedness of the owners of the land subject thereto, but are secured only by a lien on such land. The Developer expects to proceed in its normal course of business to develop lots and to sell lots to builders who will in turn build homes to sell to end users. There is no assurance that the subsequent owners of this land will be able to pay the Series 2020 Assessments or that they will pay such Series 2020 Assessments even though financially able to do so. Beyond legal delays that could result from bankruptcy, the ability of the County to sell tax certificates (to the extent that any portion of the Series 2020 Assessments are being collected by the Uniform Method) will be dependent upon various factors, including the interest rate which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates and which may be subject to sale at the demand of the certificate holder after two years. The determination of the benefits to be received by the land within the District as a result of implementation and development of the Series 2020 Project is not indicative of the realizable or market value of the land, which value may actually be higher or lower than the assessment of

benefits. In other words, the value of the land could potentially be ultimately less than the debt secured by the Series 2020 Assessments associated with it. To the extent that the realizable or market value of the land is lower than the assessment of benefits, the ability of the County to sell tax certificates relating to such land may be adversely affected (to the extent that any portion of the Series 2020 Assessments are being collected by the Uniform Method). Such adverse effect could render the District unable to collect Delinquent Assessments, if any, and could negatively impact the ability of the District to make the full or punctual payment of Debt Service on the Series 2020 Bonds. The payment of the annual Series 2020 Assessments and the ability of the Tax Collector to sell tax certificates or the District to foreclose the lien of the unpaid taxes, including the Series 2020 Assessments, may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to court foreclosure. Bankruptcy of a property owner will most likely also result in a delay by the Tax Collector or the District in prosecuting court foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of principal of and interest on the Series 2020 Bonds.

(c) The District is required to comply with statutory procedures in levying the Series 2020 Assessments. Failure of the District to follow these procedures could result in the Series 2020 Assessments not being levied or potential future challenges to such levy. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020 BONDS" herein.

(d) The District has not granted, and may not grant under Florida law, a mortgage or security interest in the Series 2020 Project. Furthermore, the District has not pledged the revenues, if any, from the operation of the Series 2020 Project as security for, or a source of payment of, the Series 2020 Bonds. Neither has the District covenanted to establish rates, fees and charges for the Series 2020 Project at any specified levels. The Series 2020 Bonds are payable solely from, and secured solely by, the Series 2020 Assessments. The Developer's obligation to pay the Series 2020 Assessments is limited solely to the obligation of any landowner to pay Series 2020 Assessments levied against its land. The Developer is not a guarantor of payment of any Series 2020 Assessments and the recourse for the Developer's failure to pay the Series 2020 Assessments, like any landowner, is limited to the collection proceedings against the land owned by the Developer which is subject to the Series 2020 Assessments.

(e) In addition to legal delays that could result from bankruptcy, the ability of the District to enforce collection of delinquent Series 2020 Assessments will be dependent upon various factors, including the delay inherent in any judicial proceeding to enforce the lien of the Series 2020 Assessments and the value of the land which is the subject of such proceedings and which may be subject to sale. If the District has difficulty in collecting the Series 2020 Assessments, the Series 2020 Reserve Account, could be rapidly depleted and the ability of the District to pay debt service could be materially adversely affected.

(f) Some of the risk factors described herein, which, if materialized, would result in a delay in the collection of the Series 2020 Assessments, may not affect the timely payment of debt service on the Series 2020 Bonds because of the Series 2020 Reserve Account established by the District for the Series 2020 Bonds. The ability of the Series 2020 Reserve Account to fund deficiencies caused by delinquent Series 2020 Assessments is dependent upon the amount, duration and frequency of such deficiencies. Moneys on deposit in the Series 2020 Reserve Account may be invested in certain obligations permitted under the Indenture. Fluctuations in interest rates and other market factors could affect the amount of moneys available in the Series 2020 Reserve Account to make up deficiencies.

(g) Owners should note that although the Indenture contains a Series 2020 Reserve Account Requirement for the Series 2020 Reserve Account, and a corresponding obligation on the part of the District to replenish the Series 2020 Reserve Account, to the Series 2020 Reserve Account Requirement, if in fact that account is accessed for any purpose, the District does not have a designated revenue source

for replenishing that fund. Moreover, the District will not be permitted to re-assess real property then burdened by the Series 2020 Assessments in order to provide for the replenishment of the Series 2020 Reserve Account.

(h) The willingness and/or ability of an owner of land within the Development to pay the Series 2020 Assessments could be affected by the existence of other taxes and assessments imposed upon the property by the District, the County or other governmental entities with jurisdiction over the District. Public entities whose boundaries overlap those of the District, such as the County, the Osceola County School District and other special districts, could, without the consent of the owners of the land within the Development, impose additional taxes or assessments on the property within the Development. County, municipal, school, special district taxes and assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on bonds, including the Series 2020 Assessments, are payable at one time. As referenced above, if a taxpayer does not make complete payment, he or she cannot designate specific line items on the tax bill as deemed paid in full. In such case, the Tax Collector does not accept such partial payment. Therefore, any failure to pay any one line item, whether or not it is the Series 2020 Assessments, would cause the Series 2020 Assessments not to be collected to that extent, which could have a significant adverse impact on the District's ability to make full or punctual payment of debt service on the Series 2020 Bonds. Public entities whose boundaries overlap those of the District could, without the consent of the owners of the land within the District, impose additional taxes or assessments on the property within the District. As referenced herein, the District may also impose additional assessments which could encumber the property burdened by the Series 2020 Assessments.

(i) Florida law provides a procedure whereby a taxpayer may contest a "tax assessment." It is unclear whether this procedure applies to non-ad valorem assessments such as the Series 2020 Assessments and there are judicial decisions that support both views. Under the procedure, a taxpayer may bring suit to contest a "tax assessment" if the taxpayer pays the amount of "tax" that the taxpayer admits to owing, and upon the making of such payment, all procedures for the collection of the unpaid taxes are suspended until the suit is resolved. If it is determined that the procedure applies to non-ad valorem assessments such as the Series 2020 Assessments, then it is possible that as a result of a challenge to such assessments, the collection procedures described above under the caption "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020 BONDS – Enforcement and Collection of Series 2020 Assessments" could be held in abeyance until the challenge is resolved. This would result in a delay in the collection of the Series 2020 Assessments which could have a material and adverse affect upon the ability of the District to timely pay debt service on the Series 2020 Bonds.

(j) The proposed Development may be affected by changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Developer. Although the Developer expects to develop lots to sell to builders who will in turn build homes to sell to end users, there can be no assurance that such sales will occur or be realized in the manner currently anticipated. In addition, the proposed development of the Development is subject to comprehensive federal, state, and local regulations and future changes to such regulations. Approval is required from various public agencies in connection with, among other things, the design, nature and extent of required public improvements, both public and private, and construction of the CIP in accordance with applicable zoning, land use and environmental regulations for the Development. Although no delays are anticipated, failure to obtain any such approvals in a timely manner could delay or adversely affect the development of the Development, which may negatively impact the Developer's desire or ability to develop the Development as contemplated. See "APPENDIX A – ENGINEER'S REPORTS" attached hereto for a discussion of permits and approvals.

(k) The Series 2020 Bond proceeds will not be sufficient to finance the completion of the CIP. The portions of the CIP not funded with proceeds of the Series 2020 Bonds has been, and will

continue to be, funded with proceeds from the Developer since the District does not currently anticipate any further bond issues to fund the CIP. See, “THE CAPITAL IMPROVEMENT PROGRAM AND THE SERIES 2020 PROJECT” and “THE DEVELOPMENT – Land Acquisition/Development Financing” herein. There is no assurance that the Developer will be able to pay, or arrange to pay, for the cost of any of these improvements.

(l) Except to the extent described in this Limited Offering Memorandum under the captions “THE DEVELOPMENT” and “THE DEVELOPER,” the District has not been provided information regarding the Developer and has not undertaken to independently verify or confirm any such information.

(m) Undeveloped or partially developed land is inherently less valuable than developed land and provides less security to the Owners of the Series 2020 Bonds should it be necessary to institute proceedings due to the nonpayment of the Series 2020 Assessments. Failure to complete or substantial delays in the completion of the development of the Development due to litigation or other causes may reduce the value of the lands in the District and increase the length of time during which Series 2020 Assessments will be payable from undeveloped property and may affect the willingness and ability of the landowners to pay the Series 2020 Assessments when due.

(n) The interest rate borne by the Series 2020 Bonds is, in general, higher than interest rates borne by other bonds of political subdivisions that do not involve the same degree of risk as investment in the Series 2020 Bonds. These higher interest rates are intended to compensate investors in the Series 2020 Bonds for the risk inherent in a purchase of the Series 2020 Bonds. However, such higher interest rates, in and of themselves, increase the amount of Series 2020 Assessments that the District must levy in order to provide for payments of debt service on the Series 2020 Bonds, and, in turn, may increase the burden upon owners of lands within the District, thereby possibly increasing the likelihood of non-payment or delinquency in payment of such Series 2020 Assessments.

(o) The Series 2020 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2020 Bonds in the event an Owner thereof determines to solicit purchasers of the Series 2020 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2020 Bonds may be sold. Such price may be lower than that paid by the current Owner of the Series 2020 Bonds, depending on the progress of the Development, existing market conditions and other factors.

(p) The Indenture does not provide for any adjustment to the interest rate(s) borne by the Series 2020 Bonds in the event of a change in the tax-exempt status of the Series 2020 Bonds. Such a change could occur as a result of the District’s failure to comply with tax covenants that the District will be obligated to comply with pursuant to the Indenture or due to a change in the United States income tax laws.

The Internal Revenue Service (the “IRS”) routinely examines bonds issued by state and local governments, including bonds issued by community development districts. The IRS recently concluded its lengthy examination of certain issues of bonds (for purposes of this paragraph, the “Audited Bonds”) issued by Village Center Community Development District (the “Village Center CDD”). During the course of the audit of the Audited Bonds, Village Center CDD received a ruling dated May 30, 2013, in the form of a non-precedential technical advice memorandum (“TAM”) concluding that Village Center CDD is not a political subdivision for purposes of Section 103(a) of the Code because Village Center CDD was organized and operated to perpetuate private control and avoid indefinitely responsibility to an electorate, either directly or through another elected state or local government body. Such a conclusion could lead to the further conclusion that the interest on the Audited Bonds was not excludable from gross income of the owners of such bonds for federal income tax purposes. Village Center CDD received a

second TAM dated June 17, 2015, which granted relief to Village Center CDD from retroactive application of the IRS's conclusion regarding its failure to qualify as a political subdivision. Prior to the conclusion of the audits, the Audited Bonds were all refunded with taxable bonds. The audit of the Audited Bonds that were issued for utility improvements were closed without change to the tax exempt status of those Audited Bonds on April 25, 2016, and the audit of the remainder of the Audited Bonds (which funded recreational amenity acquisitions from entities related to the principal landowner in the Village Center CDD) was closed on July 14, 2016, without the IRS making a final determination that the interest on the Audited Bonds in question was required to be included in gross income. However, the IRS letter to the Village Center CDD with respect to this second set of Audited Bonds noted that the Agency found that the Village Center CDD was not a "proper issuer of tax-exempt bonds" and that those Audited Bonds were private-activity bonds that did not fall in any of the categories that qualify for tax-exemption. Although the TAMs and the letters to the Village Center CDD from the IRS referred to above are addressed to, and binding only on, the IRS and Village Center CDD in connection with the Audited Bonds, they reflect the audit position of the IRS, and there can be no assurance that the IRS would not commence additional audits of bonds issued by other community development districts raising issues similar to the issues raised in the case of the Audited Bonds based on the analysis set forth in the first TAM or on the related concerns addressed in the July 14, 2016 letter to the Village Center CDD.

There is no assurance that an audit by the IRS of the Series 2020 Bonds will not be commenced. Owners of the Series 2020 Bonds are advised that, if the IRS does audit the Series 2020 Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the owners of the Series 2020 Bonds may have limited rights to participate in such procedure.* The commencement of such an audit could adversely affect the market value and liquidity of the Series 2020 Bonds until the audit is concluded, regardless of the ultimate outcome. In addition, in the event of an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2020 Bonds, it is unlikely the District will have available revenues to enable it to contest such determination or enter into a voluntary financial settlement with the IRS. An adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2020 Bonds may adversely impact any secondary market for the Series 2020 Bonds, and, if a secondary market exists, will likely adversely impact the price for which the Series 2020 Bonds may be sold.

On February 23, 2016, the IRS published proposed regulations designed to provide prospective guidance with respect to potential private business control of issuers by providing a new definition of political subdivision for purposes of determining whether an entity is an appropriate issuer of bonds the interest on which is excluded from gross income for federal tax purposes. The proposed regulations required that a political subdivision (i) have the power to exercise at least one sovereign power, (ii) be formed and operated for a governmental purpose, and (iii) have a governing body controlled by or have significant uses of its funds or assets otherwise controlled by a government unit with all three sovereign powers or by an electorate that is not controlled by an unreasonably small number of unrelated electors. On October 4, 2017, the Treasury Department ("Treasury") announced that it would withdraw the proposed regulations, stating that, "while Treasury and the IRS continue to study the legal issues relating to political subdivisions, Treasury and the IRS currently believe that these proposed regulations should be withdrawn in their entirety, and plan to publish a withdrawal of the proposed regulations shortly in the Federal Register. Treasury and the IRS may propose more targeted guidance in the future after further study of the relevant legal issues." On October 20, 2017, the IRS published an official notice withdrawing the proposed regulations and the IRS has not provided further guidance.

* Owners of the Series 2020 Bonds are advised to consult with their own tax advisors regarding their rights (if any) with respect to such audit.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2020 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2020 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2020 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2020 Bonds. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been made and others are likely to be made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Series 2020 Bonds. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for, or marketability of the Series 2020 Bonds.

(q) While the District has represented to the Underwriter that it has selected its District Manager, District Counsel, Consulting Engineer, Trustee and other professionals with the appropriate due diligence and care, and while the foregoing parties have each represented in their respective areas as having the requisite experience to accurately and timely perform the duties assigned to them in such roles, the District does not guarantee any portion of the performance of these parties.

(r) The value of the land within the District, the success of the Development and the likelihood of timely payment of principal and interest on the Series 2020 Bonds could be affected by environmental factors with respect to the lands in the District. Should the land be contaminated by hazardous materials, this could materially and adversely affect the value of the lands in the District, which could materially and adversely affect the success of the Development and the likelihood of timely payment of the Series 2020 Bonds. The District has not performed, nor has the District requested that there be performed on its behalf, any independent assessment of the environmental conditions within the District.

This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2020 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety, to visit the District and to ask questions of representatives of the District to obtain a more complete description of investment considerations relating to the Series 2020 Bonds.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, the form of which is included as Appendix C hereto, the interest on the Series 2020 Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax under existing statutes, regulations, rulings and court decisions. Failure by the District to comply subsequently to the issuance of the Series 2020 Bonds with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), including but not limited to requirements regarding the use, expenditure and investment of Series 2020 Bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the Series 2020 Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issuance. The District has covenanted to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the Series 2020 Bonds for purposes of federal income taxation. In rendering its opinion, Bond Counsel has assumed continuing compliance with such covenants.

Internal Revenue Code of 1986

The Code contains a number of provisions that apply to the Series 2020 Bonds, including, among other things, restrictions relating to the use or investment of the proceeds of the Series 2020 Bonds and the payment of certain arbitrage earnings in excess of the “yield” on the Series 2020 Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Series 2020 Bonds being included in gross income for federal income tax purposes retroactive to their date of issuance.

Collateral Tax Consequences

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Series 2020 Bonds. Prospective purchasers of the Series 2020 Bonds should be aware that the ownership of the Series 2020 Bonds may result in other collateral federal tax consequences. For example, ownership of the Series 2020 Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry such Series 2020 Bonds, (2) the branch profits tax, and (3) the inclusion of interest on the Series 2020 Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the Series 2020 Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2020 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE SERIES 2020 BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Florida Taxes

In the opinion of Bond Counsel, the Series 2020 Bonds and interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

Other Tax Matters

Interest on the Series 2020 Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 2020 Bonds should consult their tax advisors as to the income tax status of interest on the Series 2020 Bonds in their particular state or local jurisdictions.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2020 Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2020 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2020 Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2020 Bonds.

On February 23, 2016, the Internal Revenue Service issued a notice of proposed rulemaking (the "Proposed Regulations") and notice of public hearing containing proposed regulations that provided guidance regarding the definition of political subdivision for purposes of the rules for tax-exempt bonds, including determinations of entities that are valid issuers of tax-exempt bonds. On October 4, 2017, the Treasury Department ("Treasury") announced that it would withdraw the proposed regulations, stating that, "while Treasury and the IRS continue to study the legal issues relating to political subdivisions, Treasury and the IRS currently believe that these proposed regulations should be withdrawn in their entirety, and plan to publish a withdrawal of the proposed regulations shortly in the Federal Register. Treasury and the IRS may propose more targeted guidance in the future after further study of the relevant legal issues." The Proposed Regulations were officially withdrawn on October 20, 2017. See also "BONDOWNERS' RISKS – (p)".

Original Issue Discount

Certain of the Series 2020 Bonds (the "Discount Bonds") may be offered and sold to the public at an original issue discount, which is the excess of the principal amount of the Discount Bonds over the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity was sold. Original issue discount represents interest which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2020 Bonds. Original issue discount will accrue over the term of a Discount Bond at a constant interest rate compounded semi-annually. A purchaser who acquires a Discount Bond at the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period such purchaser holds such Discount Bond and will increase its adjusted basis in such Discount Bond by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bond. The federal income tax consequences of the purchase, ownership and prepayment,

sale or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Owners of Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, prepayment or other disposition of such Discount Bonds and with respect to the state and local tax consequences of owning and disposing of such Discount Bonds.

Bond Premium

Certain of the Series 2020 Bonds (the "Premium Bonds") may be offered and sold to the public at a price in excess of the principal amount of such Premium Bond, which excess constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for Federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of the Premium Bonds which term ends on the earlier of the maturity or call date for each Premium Bond which minimizes the yield on said Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering to the public at the initial offering price is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. The federal income tax consequences of the purchase, ownership and sale or other disposition of Premium Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder (the "Disclosure Act") requires that the District make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975. The District was established on October 3, 2017 and has issued no bonds prior to the issuance of the Series 2020 Bonds.

NO RATING OR CREDIT ENHANCEMENT

The Series 2020 Bonds are neither rated nor credit enhanced. No application for a rating or credit enhancement with respect to the Series 2020 Bonds was made.

VALIDATION

The Bonds issued pursuant to the terms of the Master Indenture, which includes the Series 2020 Bonds, were validated by a Final Judgment in the Circuit Court of the Ninth Judicial Circuit of the State of Florida, in and for Osceola County, Florida, rendered on February 5, 2018. The appeal period from such final judgment expired with no appeal having being filed.

LITIGATION

The District

There is no pending or, to the knowledge of the District, any threatened litigation against the District of any nature whatsoever which in any way questions or affects the validity of the Series 2020 Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or the execution of the Indenture. Neither the creation, organization or existence, nor the title of the present members of the Board of Supervisors or the District Manager is being contested.

From time to time, the District expects to be a party to other various legal proceedings which individually are not expected to have a material and adverse effect on the operations or financial condition of the District, but may, in the aggregate, have a material impact thereon.

The Developer

In connection with the issuance of the Series 2020 Bonds, the Developer will represent to the District that there is no litigation of any nature now pending or, to the knowledge of the Developer, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of the Developer to complete the Development as described herein, materially and adversely affect the ability of the Developer to pay the Series 2020 Assessments imposed against the land within the District owned by the Developer or materially and adversely affect the ability of the Developer to perform its various obligations described in this Limited Offering Memorandum.

CONTINUING DISCLOSURE

In order to comply with the continuing disclosure requirements of Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “SEC Rule”), the District, the Developer and Moyer Management Group, Inc., as dissemination agent (the “Dissemination Agent”) will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement”), the form of which is attached hereto as APPENDIX E. Pursuant to the Disclosure Agreement, the District has covenanted for the benefit of Bondholders to provide to the Dissemination Agent certain financial information and operating data relating to the District and the Series 2020 Bonds in each year (the “District Annual Report”), and to provide notices of the occurrence of certain enumerated material events. Such covenant by the District shall only apply so long as the Series 2020 Bonds remain outstanding under the Indenture.

Pursuant to the Disclosure Agreement, the Developer has covenanted for the benefit of Bondholders to provide to the District and the Dissemination Agent certain financial information and operating data relating to the Developer and the Development on a quarterly basis (each a “Developer Report”). Such covenant by the Developer will apply only until the earlier to occur of (x) the payment and redemption of the Series 2020 Bonds, or (y) the date on which the Developer owns less than twenty percent (20%) of the real property encumbered by the Series 2020 Assessments that secure the Series 2020 Bonds; provided, however, that the Developer has covenanted and agreed with the District that such covenant will run with the land to the extent that any successor in interest which holds the land for development shall assume the continuing disclosure obligations of the Developer.

The District Annual Report and the Developer Report (together, the “Reports”) will each be filed by the Dissemination Agent with the Municipal Security Rulemaking Board’s Electronic Municipal Markets Access (“EMMA”) repository described in the form of the Disclosure Agreement attached hereto as APPENDIX E. The notices of material events will also be filed by the District with EMMA. The

specific nature of the information to be contained in the Reports and the notices of material events are described in APPENDIX E. The Disclosure Agreement will be executed by the District, the Developer and the Dissemination Agent at the time of issuance of the Series 2020 Bonds. The foregoing covenants have been made in order to assist the Underwriter in complying with the SEC Rule.

With respect to the Series 2020 Bonds, no parties other than the District and the Developer are obligated to provide, nor are expected to provide, any continuing disclosure information with respect to the SEC Rule.

[The District has previously entered into continuing disclosure obligations in connection with its issuance of the Series 2018 Bonds (the "Prior Bonds Undertaking"), and, since 2018 has continuously provided continuing disclosure information in accordance with the SEC Rule and the Prior Bonds Undertaking. A review of filings made by the District on EMMA since 2018 in connection with the Prior Bonds Undertaking, and after inquiry of the Dissemination Agent under the Prior Bonds Undertaking, all Reports required under the Prior Bonds Undertakings have been filed timely by the District for the last four fiscal years and the District has materially complied with the Prior Bonds Undertaking.]

In connection with the District's issuance of its Series 2018 Bonds, the Developer has also been an obligated party under the Prior Bonds Undertaking and required to file certain Developer Reports. A review of filings made by the District on EMMA since 2018 in connection with the Prior Bonds Undertaking, and after inquiry of the Dissemination Agent under the Prior Bonds Undertaking, the Developer has materially complied with the Prior Bonds Undertaking, and all Developer Reports required under the Prior Bonds Undertakings have been filed timely by the Developer since 2018.]

UNDERWRITING

The Underwriter will agree, pursuant to a contract to be entered into with the District, subject to certain conditions, to purchase the Series 2020 Bonds from the District at a purchase price of \$_____ (which is the par amount of the Series 2020 Bonds, plus/minus bond premium/original issue discount in the amount of \$_____ and less an Underwriter's discount of \$_____). See "ESTIMATED SOURCES AND USES OF THE SERIES 2020 BOND PROCEEDS" herein. The Underwriter's obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all of the Series 2020 Bonds if any Series 2020 Bonds are purchased.

The Underwriter intends to offer the Series 2020 Bonds to accredited investors at the offering prices set forth on the cover page of this Limited Offering Memorandum, which may subsequently change without prior notice. The Underwriter may offer and sell the Series 2020 Bonds to certain dealers (including dealers depositing the Series 2020 Bonds into investment trusts) at prices lower than the initial offering prices and such initial offering prices may be changed from time to time by the Underwriter.

LEGAL MATTERS

The Series 2020 Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice and the receipt of the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, as to the validity of the Series 2020 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Hopping Green & Sams, P.A., Tallahassee, Florida, for the Developer by its counsel, Gray Robinson, P.A., and for the Underwriter by its counsel, Aponte & Associates Law Firm, P.L.L.C., Orlando, Florida.

AGREEMENT BY THE STATE

Under the Act, the State pledges to the holders of any bonds issued thereunder, including the Series 2020 Bonds, that it will not limit or alter the rights of the issuer of such bonds to own, acquire, construct, reconstruct, improve, maintain, operate or furnish the projects subject to the Act or to levy and collect taxes, assessments, rentals, rates, fees, and other charges provided for in the Act and to fulfill the terms of any agreement made with the holders of such bonds and that it will not in any way impair the rights or remedies of such holders.

FINANCIAL STATEMENTS

[The District has covenanted in the Disclosure Agreement set forth in APPENDIX E hereto to provide its annual audit to the Municipal Securities Rulemaking Board's Electronic Municipal Markets Access repository as described in APPENDIX E. The audit report containing the audited financial statements of the District for the Fiscal Year ended September 30, 2018, are attached hereto as APPENDIX F. Such statements speak only as of September 30, 2018. The consent of the District's auditor to include in this Limited Offering Memorandum the aforementioned report was not requested, and the general purpose financial statements of the District are provided only as publicly available documents. The auditor was not requested nor did they perform any procedures with respect to the preparation of this Limited Offering Memorandum or the information presented herein.]

EXPERTS AND CONSULTANTS

The references herein to Dewberry Engineers Inc. as the Consulting Engineer have been approved by said firm. The Engineer's Reports prepared by such firm relating to the Series 2020 Project, have been included as APPENDIX A attached hereto in reliance upon such firm as an expert in engineering. References to and excerpts herein from such Engineer's Reports do not purport to be adequate summaries of such Series 2020 Project or complete in all respects. Such Engineer's Reports are an integral part of this Limited Offering Memorandum and should be read in their entirety for complete information with respect to the subjects discussed therein.

The references herein to Moyer Management Group, Inc. as Assessment Consultant have been approved by said firm. The Assessment Consultant's Assessment Reports prepared by such firm relating to the issuance of the Series 2020 Bonds has been included as APPENDIX B attached hereto in reliance upon such firm as an expert in developing assessment methodologies. References to and excerpts herein from such report do not purport to be adequate summaries of such report or complete in all respects. Such report is an integral part of this Limited Offering Memorandum and should be read in its entirety for complete information with respect to the subjects discussed therein.

CONTINGENT AND OTHER FEES

The District has retained District's Counsel, Bond Counsel, the Assessment Consultant, the Underwriter (who has retained Underwriter's Counsel) and the Trustee (who has retained Trustee's Counsel), with respect to the authorization, sale, execution and delivery of the Series 2020 Bonds. Payment of the fees of such professionals, except for the payment of fees to District Counsel and the Assessment Consultant, are each contingent upon the issuance of the Series 2020 Bonds.

MISCELLANEOUS

Any statements made in this Limited Offering Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Limited Offering Memorandum nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Series 2020 Bonds.

The information contained in this Limited Offering Memorandum has been compiled from official and other sources deemed to be reliable, and is believed to be correct as of the date of the Limited Offering Memorandum, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The Underwriter listed on the cover page hereof has reviewed the information in this Limited Offering Memorandum in accordance with and as part of its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion stated herein are subject to change, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in the matters described herein since the date hereof.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the District from the date hereof. However, certain parties to the transaction, including the District, will, on the closing date of the Series 2020 Bonds, deliver certificates to the effect that nothing has come to their attention that would lead them to believe that applicable portions of the Limited Offering Memorandum contain an untrue statement of a material fact or omit to state a material fact that should be included herein for the purpose for which the Limited Offering Memorandum is intended to be used, or that is necessary to make the statements contained herein, in light of the circumstances under which they were made, not misleading and to the effect that from the date of the Limited Offering Memorandum to the date of closing of the Series 2020 Bonds that there has been no material adverse change in the information provided.

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

OSCEOLA CHAIN OF LAKES COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Its: Chairman

APPENDIX A
Engineer's Reports

APPENDIX B

Master Assessment Methodology Report and Supplemental Methodology Report

APPENDIX C

Forms of Master Indenture and Second Supplement

APPENDIX D

Form of Opinion of Bond Counsel

APPENDIX E

Form of Continuing Disclosure Agreement

Subsection 6c(iv)

Continuing Disclosure
Agreement

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") dated as of February 1, 2019 is executed and delivered by the Osceola Chain of Lakes Community Development District (the "Issuer" or the "District"), Hanover Lakes, LLC, (the "Developer"), and Moyer Management Group, Inc., as dissemination agent (the "Dissemination Agent") in connection with the Issuer's Capital Improvement Revenue Bonds, Series 2020 (the "Bonds"). The Bonds are secured pursuant to a Master Trust Indenture dated as of March 1, 2018 (the "Master Indenture") and a Second Supplemental Trust Indenture dated as of February 1, 2020 (the "Second Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each entered into by and between the Issuer and U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America and having a designated corporate trust office in Orlando, Florida, as trustee (the "Trustee"). The Issuer, the Developer and the Dissemination Agent covenant and agree as follows:

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

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

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

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

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i)(A) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

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

"Assessment Area" shall mean that portion of the District lands subject to Assessments.

"Assessments" shall mean the non-ad valorem Series 2020 Special Assessments pledged to the payment of the Bonds pursuant to the Indenture.

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

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

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

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

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

"Dissemination Agent" shall mean the Issuer or an entity appointed by the Issuer to act in the capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer pursuant to Section 8 hereof. Moyer Management Group, Inc. has been designated as the initial Dissemination Agent hereunder.

"District Manager" shall mean Moyer Management Group, Inc., and its successors and assigns.

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

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

"Financial Obligation" means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of an obligation or instrument described in either clause (a) or (b). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

"Limited Offering Memorandum" shall mean that Limited Offering Memorandum dated [], 2020, prepared in connection with the issuance of the Bonds.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

"Participating Underwriter" shall mean MBS Capital Markets, LLC.

"Quarterly Filing Date" shall mean for the quarter ending: (i) March 31, each May 1; (ii) June 30, each August 1; (iii) September 30, each November 1; and (iv) December 31, each February 1 of the following year. The first Quarterly Filing Date shall be [May 1, 2020].

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

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

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

"SEC" means the Securities and Exchange Commission.

"State" shall mean the State of Florida.

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

3. **Provision of Annual Reports.**

(a) Subject to the following sentence, the Issuer shall provide the Annual Report to the Dissemination Agent no later than one hundred eighty (180) days after the close of the Issuer's Fiscal Year (the "Annual Filing Date"), commencing with the Annual Report for the Fiscal Year ending September 30, 2020. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; *provided that* the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report, and may be submitted in accordance with State law, which currently requires such Audited Financial Statements to be provided up to, but no later than, nine (9) months after the close of the Issuer's Fiscal Year (the "Audited Financial Statements Filing Date"). The Issuer shall file its Audited Financial Statements for the Fiscal Year ended September 30, 2019 on or before June 30, 2020. The Issuer shall, or shall cause the Dissemination Agent to, provide to the Repository the components of an Annual Report which satisfies the requirements of Section 4(a) of this Disclosure Agreement within thirty (30) days after same becomes available, but in no event later than the Annual Filing Date or Audited Financial Statements Filing Date, if applicable. If the Issuer's Fiscal Year changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 6.

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

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

(d) The Dissemination Agent shall:

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

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

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

4. **Content of Annual Reports.**

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

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

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

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

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

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

(vi) The total amount of Bonds Outstanding.

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

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

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

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

To the extent any of the items set forth in subsections (i) through (vii) above are included in the Audited Financial Statements referred to in subsection (viii) above, they do not have to be separately set forth (unless Audited Financial Statements are being delivered more than 180 days after the close of the Issuer's Fiscal Year pursuant to Section 3(a) hereof). Any or all of the items listed above may be incorporated by reference from other documents, including limited offering memorandums and official statements of debt issues of the Issuer or related public entities, which have been submitted to the MSRB or the SEC. If the document incorporated by reference is a final limited offering memorandum or official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

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

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

5. Quarterly Reports.

(a) Each Obligated Person (other than the Issuer) shall provide an electronic copy of the Quarterly Report to the Dissemination Agent no later than fifteen (15) days prior to the Quarterly Filing Date. Promptly upon receipt of an electronic copy of the Quarterly Report, but in any event no later than the applicable Quarterly Filing Date, the Dissemination Agent shall provide a Quarterly Report to the Repository.

(b) Each Quarterly Report shall contain an update of the following information to the extent available with respect to such Obligated Person:

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

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

- (iii) The number and type of lots platted in the Assessment Area.
- (iv) The number and type of lots under contract with homebuilders in the Assessment Area, if any.
- (v) The number and type of lots closed with homebuilders in the Assessment Area and the name of the homebuilder, if any.
- (vi) The number and type of homes under contract with homebuyers in the Assessment Area.
- (vii) The number and type of homes closed with homebuyers (delivered to end users) in the Assessment Area.
- (viii) Any change to the number or type of lots planned to be developed in the Assessment Area by the Obligated Person.
- (ix) Materially adverse changes or determinations to permits/approvals for the development of the Assessment Area which necessitate changes to the land use plans of any Obligated Person.
- (x) The occurrence of any new or modified mortgage debt on the land owned by the Obligated Person in the Assessment Area, including the amount and interest rate.
- (c) If an Obligated Person sells, assigns or otherwise transfers ownership of real property in the Assessment Area (a "Transferor Obligated Person") to a third party (a "Transferee"), which will in turn be an Obligated Person for purposes of this Disclosure Agreement as a result thereof (a "Transfer"), the Transferor Obligated Person hereby agrees to use its best efforts to contractually obligate such Transferee to agree to comply with the disclosure obligations of an Obligated Person hereunder for so long as such Transferee is an Obligated Person hereunder, to the same extent as if such Transferee were a party to this Disclosure Agreement (an "Assignment"). The Transferor Obligated Person shall notify the District and the Dissemination Agent in writing of any Transfer within five (5) Business Days of the occurrence thereof. Nothing herein shall be construed to relieve the Developer from its obligations hereunder except to the extent a written Assignment from a Transferee is obtained and delivered to the Dissemination Agent and then only to the extent of such Assignment.

6. **Reporting of Significant Events.**

- (a) This Section 6 shall govern the giving of notices of the occurrence of any of the following Listed Events:
 - (i) Principal and interest payment delinquencies;
 - (ii) Non-payment related defaults, if material;
 - (iii) Unscheduled draws on the Series 2020 Debt Service Reserve Account reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;*

(v) Substitution of credit or liquidity providers, or their failure to perform;*

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) Modifications to rights of Bond holders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;*

(xii) Bankruptcy, insolvency, receivership or similar event of the Issuer or any Obligated Person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer or any Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer or any Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer or any Obligated Person);

(xiii) Consummation of a merger, consolidation, or acquisition involving the Issuer or any Obligated Person or the sale of all or substantially all of the assets of the Issuer or any Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

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

(xv) Incurrence of a Financial Obligation of the Issuer or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other

* Not applicable to the Bonds at their date of issuance.

similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material;

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or Obligated Person, any of which reflect financial difficulties;

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

(xviii) Any amendment to the accounting principles to be followed in preparing financial statements as required pursuant to Section 9 hereof.

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

(c) Notwithstanding anything contained in Section 6(b) above, each Obligated Person other than the Issuer shall notify the Issuer and the Dissemination Agent of the occurrence of a Listed Event described in subsections (a)(x), (xii), (xiii), (xv), (xvi) or (xvii) that has occurred with respect to such Obligated Person in compliance with the notification and filing requirements provided in Section 6(b).

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

(e) The Developer and District hereby represent and warrants that they have previously entered into a continuing disclosure agreement in connection with the offering of \$2,200,000 Capital Improvement Revenue Bonds, Series 2018 by the District, and that each has complied with such undertaking as required under the terms thereof, in order to enable an underwriter of said securities to comply with the provisions of the Rule.

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

8. **Dissemination Agent.** Upon termination of the Dissemination Agent's services as Dissemination Agent, whether by notice of the Issuer or the Dissemination Agent, the Issuer agrees to appoint a successor Dissemination Agent or, alternatively, agrees to assume all responsibilities of Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. If at any time there is not any other designated Dissemination Agent, the District shall be deemed to be the Dissemination Agent. The initial Dissemination Agent shall be Moyer Management Group, Inc.. The acceptance of such designation is evidenced by the execution of this Disclosure Agreement by a duly authorized signatory of Moyer Management Group, Inc.. Moyer Management Group, Inc., may terminate its role as Dissemination Agent at any time upon delivery of thirty (30) days prior written notice to the District and each Obligated Person.

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

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

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

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

11. **Default.** In the event of a failure of the Issuer, the Disclosure Representative, any Obligated Person or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Beneficial

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

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

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

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

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

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

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

18. **Binding Effect.** This Disclosure Agreement shall be binding upon each party to this Disclosure Agreement and upon each successor and assignee of each party to this Disclosure Agreement and shall inure to the benefit of, and be enforceable by, each party to this Disclosure Agreement and each successor and assignee of each party to this Disclosure Agreement. Notwithstanding the foregoing, as to the Developer or any assignee or successor thereto that becomes an Obligated Person pursuant to the terms of this Disclosure Agreement, only successor or assignees to such parties who are, by definition, Obligated Persons, shall be bound or benefited by this Disclosure Agreement.

[Signature Page Follows]

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

**OSCEOLA CHAIN OF LAKES COMMUNITY
DEVELOPMENT DISTRICT, AS ISSUER**

[SEAL]

By: _____
Chairperson
Board of Supervisors

ATTEST:

By: _____
_____, Secretary

HANOVER LAKES, LLC, AS DEVELOPER

By: _____
_____, Manager

**MOYER MANAGEMENT GROUP, INC., and
its successors and assigns, AS DISSEMINATION
AGENT**

By: _____
Name: _____
Title: _____

CONSENTED TO AND AGREED TO BY:

DISTRICT MANAGER

**MOYER MANAGEMENT GROUP,
INC., AS DISTRICT MANAGER**

By: _____
Name: _____
Title: _____

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

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

By: _____

Name: _____

Title: _____

EXHIBIT A

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

Name of Issuer: Osceola Chain of Lakes Community Development District

Name of Bond Issue: \$[] original aggregate principal amount of Capital Improvements
Revenue Bonds, Series 2020

Obligated Person(s): Osceola Chain of Lakes Community Development District;
_____.

Original Date of Issuance: [], 2020

CUSIP Numbers: _____

NOTICE IS HEREBY GIVEN that the [Issuer][Obligated Person] has not provided an [Annual Report] [Audited Financial Statements] [Quarterly Report] with respect to the above-named Bonds as required by [Section 3] [Section 5] of the Continuing Disclosure Agreement dated [], 2020, by and between the Issuer, the Developer and the Dissemination Agent named therein. The [Issuer][Obligated Person] has advised the undersigned that it anticipates that the [Annual Report] [Audited Financial Statements] [Quarterly Report] will be filed by _____, 20____.

Dated: _____

_____, as Dissemination Agent

By: _____

Name: _____

Title: _____

cc: Issuer
Trustee

Section 7

District Manager Report

Subsection 7a

Financials

Osceola Chain of Lakes CDD
Balance Sheet
All Governmental Funds
Fiscal Year 2020
November 30, 2019

	General Funds	Debt Service Funds	Capital Projects Funds	Total
ASSETS				
Cash -- Checking Account	\$ 32,909.63			\$ 32,909.63
Accounts Receivable -- Due from Developer	\$ 2,578.00			\$ 2,578.00
Assessments Receivable		\$ 5,169.59		\$ 5,169.59
Other Current Assets	\$ -	\$ -	\$ -	\$ -
Investments:				
Revenue Fund #5000		\$ 6.48		\$ 6.48
Interest Fund #5001		\$ -		\$ -
Sinking Fund #5002		\$ -		\$ -
Prepayment Fund #5003		\$ -		\$ -
Debt Service Reserve Fund #5004		\$ 73,553.13		\$ 73,553.13
Capitalized Interest Fund #5005		\$ -		\$ -
Acquisition and Construction Fund #5006	\$ -	\$ -	\$ 1,506.37	\$ 1,506.37
Fixed Assets:				
District Acquisitions	\$ -	\$ -	\$ 1,821,109.35	\$ 1,821,109.35
Total Assets	\$ 35,487.63	\$ 78,729.20	\$ 1,822,615.72	\$ 1,936,832.55
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 33,630.17	\$ -	\$ -	\$ 33,630.17
Payroll Liabilities Payable	\$ 214.20	\$ -	\$ -	\$ 214.20
Long-Term Liabilities				
Bonds Payable		\$ 117,786.90	\$ 2,052,213.10	\$ 2,170,000.00
Discount on Bonds Payable (<i>contra liability</i>)	\$ -	\$ (629.26)	\$ (8,780.30)	\$ (9,409.56)
Total Liabilities	\$ 33,844.37	\$ 117,157.64	\$ 2,043,432.80	\$ 2,194,434.81
Excess Liabilities over Assets	\$ 1,643.26	\$ (38,428.44)	\$ (220,817.08)	\$ (257,602.26)

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
Total Accounts Payable:	\$ 2,578.00

Accounts Payable consists of the following:

Dewberry (fees for June)	\$ 644.19
Dewberry (engineering report for Series 2020 Bonds, October)	\$ 3,344.00
Down to Earth (pond bank mowing for October and November)	\$ 5,300.00
Hopping Green & Sams (fees August and September)	\$ 3,160.87
Moyer Management Group (FY19 fees for Q4 + dissemination agent, FY20 Oct and Nov fees + website)	\$ 21,235.78
Osceola News Gazette (credit on account)	\$ (54.67)
Total Accounts Payable:	\$ 33,630.17

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

GENERAL FUND

Fiscal Year 2020

November 30, 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	\$ 12,493.07	\$ -	\$ 12,493.07
Special Assessments -- Tax Collector	\$ 76,085.38	\$ 12,680.90	\$ 7,041.85	\$ 5,639.05
Special Assessments -- Discounts	\$ (3,043.41)	\$ (507.24)	\$ (281.66)	\$ (225.58)
Interest Income	\$ -	\$ -	\$ -	\$ -
Developer Contributions	\$ -	\$ -	\$ -	\$ -
Other Financing Sources -- Use of Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 148,000.40	\$ 24,666.73	\$ 6,760.19	\$ 17,906.54
EXPENDITURES				
<i>Administrative</i>				
Annual Audit	\$ 3,700.00	\$ 616.67	\$ -	\$ 616.67
Capital Outlay	\$ 200.00	\$ 33.33	\$ -	\$ 33.33
Contingency	\$ 1,100.00	\$ 183.33	\$ -	\$ 183.33
Dues, Licenses, and Subscriptions	\$ 175.00	\$ 175.00	\$ 175.00	\$ -
FICA expense	\$ 91.80	\$ 15.30	\$ 15.30	\$ (0.00)
Insurance	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -
Legal Advertising	\$ 2,000.00	\$ 333.33	\$ 63.32	\$ 270.01
Office Supplies	\$ 100.00	\$ 16.67	\$ -	\$ 16.67
Other Current Charges	\$ 100.00	\$ 16.67	\$ -	\$ 16.67
Postage	\$ 100.00	\$ 16.67	\$ -	\$ 16.67
Printing and Binding	\$ 100.00	\$ 16.67	\$ -	\$ 16.67
Professional Fees -- Attorney	\$ 20,000.00	\$ 3,333.33	\$ -	\$ 3,333.33
Professional Fees -- Dissemination Agent	\$ 1,000.00	\$ 166.67	\$ -	\$ 166.67
Professional Fees -- Engineer	\$ 7,500.00	\$ 1,250.00	\$ -	\$ 1,250.00
Professional Fees -- Manager	\$ 54,245.80	\$ 9,040.97	\$ 8,000.00	\$ 1,040.97
Professional Fees -- Property Appraiser	\$ 1,521.71	\$ 253.62	\$ -	\$ 253.62
Professional Fees -- Tax Collector	\$ 1,521.71	\$ 253.62	\$ 135.20	\$ 118.42
Professional Fees -- Trustee	\$ 5,000.00	\$ 833.33	\$ -	\$ 833.33
Supervisor Fees	\$ 1,200.00	\$ 200.00	\$ 200.00	\$ -
Telephone	\$ 100.00	\$ 16.67	\$ -	\$ 16.67
Travel and Per Diem	\$ 150.00	\$ 25.00	\$ -	\$ 25.00
Website	\$ 3,294.38	\$ 549.06	\$ 235.78	\$ 313.28
<i>Total Administrative Expenditures</i>	\$ 108,200.40	\$ 22,345.90	\$ 13,824.60	\$ 8,521.30
<i>Field</i>				
Pond Bank Mowing	\$ 31,800.00	\$ 5,300.00	\$ 5,300.00	\$ -
General Field and Landscape	\$ 8,000.00	\$ 1,333.33	\$ -	\$ 1,333.33
<i>Total Field Expenditures</i>	\$ 39,800.00	\$ 6,633.33	\$ 5,300.00	\$ 1,333.33
Total Expenditures	\$ 148,000.40	\$ 28,979.23	\$ 19,124.60	\$ 9,854.63
Excess Revenues (Expenditures)	\$ 0.00	\$ (4,312.50)	\$ (12,364.41)	\$ 8,051.91

Osceola Chain of Lakes CDD

Combined Debt Service Funds

Fiscal Year 2020 through November 30, 2019

	Adopted Budget for Fiscal Year 2020	Actual through November 30	Variance Favorable/ (Unfavorable)
REVENUES			
Interest -- Income	\$ 1,082.62	\$ -	\$ 1,082.62
Interest -- Investments	\$ 1,766.00	\$ 204.05	\$ 1,561.95
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	\$ 204.05	\$ 153,671.77
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	\$ 56,312.50	\$ 56,248.44
Amortization of Bond Discount (Interest Expense)	\$ 22.08	\$ 11.04	\$ 11.04
<i>Total Debt Service</i>	<i>\$ 147,583.02</i>	<i>\$ 56,323.54</i>	<i>\$ 91,259.48</i>
TOTAL EXPENDITURES	\$ 153,875.82	\$ 56,323.54	\$ 97,552.28
Excess (Deficiencies) of Revenues Over (Under) Expenditures	\$ 0.00	\$ (56,119.49)	\$ 56,119.49
OTHER FINANCING SOURCES			
Interfund Transfer In (Out)	\$ -	\$ (93.54)	\$ (1,373.24)
Contribution to (use of) fund balance	\$ -	\$ 55,604.16	\$ -
TOTAL OTHER FINANCING SOURCES	\$ -	\$ 55,510.62	\$ (1,373.24)
Net Change in Fund Balance	\$ 0.00	\$ (608.87)	
Beginning Fund Balance, October 1, 2019	\$ 74,157.44		
Ending Fund Balance, November 30, 2019	\$ 73,548.57		

Osceola Chain of Lakes CDD

Combined Capital Projects Funds, Series 2018

Fiscal Year 2020 through November 30, 2019

	Fiscal Year 2020 Budget	Actual through November 30	Variance Favorable/ (Unfavorable)
REVENUES			
Interest -- Investments	\$ 26.04	\$ 3.76	\$ 22.28
Contributions	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 26.04	\$ 3.76	\$ 22.28
EXPENDITURES			
Professional Fees -- Attorney	\$ 1,000.00	\$ -	\$ 1,000.00
Professional Fees -- Engineer	\$ -	\$ -	\$ -
Amortization of Bond Discount	\$ 308.08	\$ 154.04	\$ 154.04
Future Requisitions	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 1,308.08	\$ 154.04	\$ 1,154.04
Excess (Deficiencies) of Revenues Over (Under) Expenditures	\$ (1,282.04)	\$ (150.28)	\$ (1,131.76)
OTHER FINANCING SOURCES			
Interfund Transfer In (Out)	\$ -	\$ 93.54	\$ (93.54)
Contribution to (Use of) Fund Balance	\$ 1,282.04	\$ -	\$ 1,282.04
TOTAL OTHER FINANCING SOURCES	\$ 1,282.04	\$ 93.54	\$ 1,188.50
Net Change in Fund Balance	\$ -	\$ (56.74)	
Beginning Fund Balance, October 1, 2019	\$ 1,409.07		
Ending Fund Balance, November 30, 2019	\$ 1,352.33		

Osceola Chain of Lakes CDD

Combined Capital Projects Funds, Series 2020

Fiscal Year 2020 through November 30, 2019

	Fiscal Year 2020 Budget	Actual through November 30	Variance Favorable/ (Unfavorable)
REVENUES			
Interest -- Investments	\$ -	\$ -	\$ -
Contributions	\$ -	\$ 3,344.00	\$ (3,344.00)
TOTAL REVENUES	\$ -	\$ 3,344.00	\$ (3,344.00)
EXPENDITURES			
Professional Fees -- Attorney	\$ -	\$ -	\$ -
Professional Fees -- Engineer	\$ -	\$ 3,344.00	\$ (3,344.00)
Amortization of Bond Discount	\$ -	\$ -	\$ -
Future Requisitions	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ -	\$ 3,344.00	\$ (3,344.00)
Excess (Deficiencies) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES			
Interfund Transfer In (Out)	\$ -	\$ -	\$ -
Contribution to (Use of) Fund Balance	\$ -	\$ -	\$ -
TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	\$ -
Net Change in Fund Balance	\$ -	\$ -	
Beginning Fund Balance, October 1, 2019	\$ -		
Ending Fund Balance, October 31, 2019	\$ -		

Subsection 7b

Check Register

Osceola Chain of Lakes CDD**Check Register**

For the period beginning November 1, 2019, through November 30, 2019

Sorted by Check Number

Check #	Date	Payable to	Invoice #	Description	Budget Line Item	Amount
GENERAL FUND						
1059	11/01/19	Hopping Green & Sams	107162, 109694	Legal fees for March and July	Professional Fees -- Attorney	\$ 1,042.07
1060	11/06/19	Hopping Green & Sams	109694	Legal fees for July (duplicate pmt, credited on Sept. invoice)	Professional Fees -- Attorney	\$ 687.12
1061	11/06/19	Down to Earth	45720	Maintenance for September	Pond Bank Mowing	\$ 2,650.00
1062	11/06/19	Dewberry	1733279	Engineering fees for August	Professional Fees -- Engineer	\$ 1,290.00
1063	11/06/19	Kimberly Locher	Nov. 6, 2019	Attendance at November 6, 2019, meeting	Supervisor Fees	\$ 184.70

Section 8

Staff Reports

Subsection 8a

Attorney

Subsection 8a(i)

Resolution 2020-04

RESOLUTION 2020-04

A RESOLUTION BY THE BOARD OF SUPERVISORS OF THE OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT ADOPTING AN INTERNAL CONTROLS POLICY CONSISTENT WITH SECTION 218.33, FLORIDA STATUTES; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Osceola Chain of Lakes Community Development District (the “District”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, being situated entirely within Osceola County, Florida; and

WHEREAS, consistent with Section 218.33, *Florida Statutes*, the District is statutorily required to establish and maintain internal controls designed to prevent and detect fraud, waste, and abuse as defined in Section 11.45(1), *Florida Statutes*; promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices; support economical and efficient operations; ensure reliability of financial records and reports; and safeguard assets; and

WHEREAS, to demonstrate compliance with Section 218.33, *Florida Statutes*, the District desires to adopt by resolution the Internal Controls Policy attached hereto as **Exhibit A**.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. The attached Internal Controls Policy attached hereto as **Exhibit A** is hereby adopted pursuant to this Resolution.

SECTION 2. If any provision of this Resolution is held to be illegal or invalid, the other provisions shall remain in full force and effect.

SECTION 3. This Resolution shall become effective upon its passage and shall remain in effect unless rescinded or repealed.

PASSED AND ADOPTED THIS 8th DAY OF JANUARY, 2020.

ATTEST:

**OSCEOLA CHAIN OF LAKES COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chairman, Board of Supervisors

EXHIBIT “A”

OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT INTERNAL CONTROLS POLICY

1. Purpose.

- 1.1. The purpose of this internal controls policy is to establish and maintain internal controls for the Osceola Chain of Lakes Community Development District.
- 1.2. Consistent with Section 218.33(3), *Florida Statutes*, the internal controls adopted herein are designed to:
 - 1.2.1. Prevent and detect Fraud, Waste, and Abuse (as hereinafter defined).
 - 1.2.2. Promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices.
 - 1.2.3. Support economical and efficient operations.
 - 1.2.4. Ensure reliability of financial records and reports.
 - 1.2.5. Safeguard Assets (as hereinafter defined).

2. Definitions.

- 2.1. “Abuse” means behavior that is deficient or improper when compared with behavior that a prudent person would consider a reasonable and necessary operational practice given the facts and circumstances. The term includes the misuse of authority or position for personal gain.
- 2.2. “Assets” means District assets such as cash or other financial resources, supplies, inventories, equipment and other fixed assets, real property, intellectual property, or data.
- 2.3. “Auditor” means the independent auditor (and its employees) retained by the District to perform the annual audit required by state law.
- 2.4. “Board” means the Board of Supervisors for the District.
- 2.5. “District Management” means (i) the independent contractor (and its employees) retained by the District to provide professional district management services to the District and (ii) any other independent contractor (and its employees) separately retained by the District to provide amenity management services, provided said services include a responsibility to safeguard and protect Assets.

- 2.6. “Fraud” means obtaining something of value through willful misrepresentation, including, but not limited to, intentional misstatements or intentional omissions of amounts or disclosures in financial statements to deceive users of financial statements, theft of an entity’s assets, bribery, or the use of one’s position for personal enrichment through the deliberate misuse or misapplication of an organization’s resources.
- 2.7. “Internal Controls” means systems and procedures designed to prevent and detect fraud, waste, and abuse; promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices; support economical and efficient operations; ensure reliability of financial records and reports; and safeguard assets.
- 2.8. “Risk” means anything that could negatively impact the District’s ability to meet its goals and objectives. The term includes strategic, financial, regulatory, reputational, and operational risks.
- 2.9. “Waste” means the act of using or expending resources unreasonably, carelessly, extravagantly, or for no useful purpose.

3. Control Environment.

3.1. Ethical and Honest Behavior.

- 3.1.1. District Management is responsible for maintaining a work environment that promotes ethical and honest behavior on the part of all employees, contractors, vendors and others.
- 3.1.2. Managers at all levels must behave ethically and communicate to employees and others that they are expected to behave ethically.
- 3.1.3. Managers must demonstrate through words and actions that unethical behavior will not be tolerated.

4. Risk Assessment.

- 4.1. Risk Assessment. District Management is responsible for assessing Risk to the District. District Management’s Risk assessments shall include, but not be limited to:
 - 4.1.1. Identifying potential hazards.
 - 4.1.2. Evaluating the likelihood and extent of harm.
 - 4.1.3. Developing cost-justified precautions and implementing those precautions.
 - 4.1.4. Documenting the Risk assessment process and its findings.

5. Control Activities.

5.1. Minimum Internal Controls. The District hereby establishes the following minimum Internal Controls to prevent and detect Fraud, Waste, and Abuse:

5.1.1. Preventive controls designed to forestall errors or irregularities and thereby avoid the cost of corrections. Preventive control activities shall include, but not be limited to, the following:

- 5.1.1.1. Identifying and segregating incompatible duties and/or implementing mitigating controls.
- 5.1.1.2. Performing accounting functions in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) standards.
- 5.1.1.3. Requiring proper authorizations to access and/or modify accounting software.
- 5.1.1.4. Implementing computerized accounting techniques (e.g., to help identify coding errors, avoid duplicate invoices).
- 5.1.1.5. Maintaining a schedule of the District's material fixed Assets.
- 5.1.1.6. Maintaining physical control over the District's material and vulnerable Assets (e.g., lock and key, computer passwords, network firewalls).
- 5.1.1.7. Retaining and restricting access to sensitive documents.
- 5.1.1.8. Performing regular electronic data backups.

5.1.2. Detective controls designed to measure the effectiveness of preventive controls and to detect errors or irregularities when they occur. Detective control activities shall include, but not be limited to, the following:

- 5.1.2.1. Preparing financial reports in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) standards.
- 5.1.2.2. Reviewing financial statements and investigating any material variances between budgeted expenses and actual expenses.
- 5.1.2.3. Establishing and implementing periodic reconciliations of bank, trust, and petty cash accounts.

- 5.1.2.4. Establishing an internal protocol for reporting and investigating known or suspected acts of Fraud, Waste, or Abuse.
- 5.1.2.5. Engaging in periodic physical inventory counts and comparisons with inventory records.
- 5.1.2.6. Monitoring all ACH (electronic) transactions and the sequencing of checks.
- 5.2. Implementation. District Management shall implement the minimum Internal Controls described herein. District Management may also implement additional Internal Controls that it deems advisable or appropriate for the District. The specific ways District Management implements these minimum Internal Controls shall be consistent with Generally Accepted Accounting Principles (GAAP) and otherwise conform to Governmental Accounting Standards Board (GASB) and American Institute of Certified Public Accountants (AICPA) standards and norms.

6. Information and Communication.

- 6.1. Information and Communication. District Management shall communicate to its employees (needing to know) information relevant to the Internal Controls, including but not limited to any changes to the Internal Controls and/or changes to laws, rules, contracts, grant agreements, and best practices.
- 6.2. Training. District Management shall regularly train its employees (needing the training) in connection with the Internal Controls described herein and promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices.

7. Monitoring Activities.

- 7.1. Internal Reviews. District Management shall internally review the District's Internal Controls at least once per year. In connection with this internal review, District Management shall:
 - 7.1.1.1. Review its operational processes.
 - 7.1.1.2. Consider the potential risk of Fraud, Waste, or Abuse inherent in each process.
 - 7.1.1.3. Identify the controls included in the process, or controls that could be included, that would result in a reduction in the inherent risk.
 - 7.1.1.4. Assess whether there are Internal Controls that need to be improved or added to the process under consideration.

7.1.1.5. Implement new controls or improve existing controls that are determined to be the most efficient and effective for decreasing the risk of Fraud, Waste or Abuse.

7.1.1.6. Train its employees on implemented new controls or improvements to existing controls.

7.2. External Audits and Other Reviews. Audits and other reviews may be performed on various components of the District's Internal Controls by the Auditor consistent with Government Auditing Standards (GAS). Audits may identify material deficiencies in the Internal Controls and make recommendations to improve them. District Management shall communicate and cooperate with the Board and the Auditor regarding the potential implementation of Auditor recommendations.

Specific Authority: §§ 190.011(5), 218.33(3), *Florida Statutes*

Effective date: January 8, 2020

Subsection 8a(ii)

Amended and
Restated Rules of
Procedure

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.