

HUNTER'S RIDGE

COMMUNITY DEVELOPMENT

DISTRICT No. 1

REGULAR MEETING

AGENDA

December 5, 2018

Hunter's Ridge Community Development District No. 1

OFFICE OF THE DISTRICT MANAGER

2300 Glades Road, Suite 410W • Boca Raton, Florida 33431

Phone: (561) 571-0010 • Toll-free: (877) 276-0889 • Fax: (561) 571-0013

November 29, 2018

ATTENDEES:

Please identify yourself each time you speak to facilitate accurate transcription of meeting minutes.

Board of Supervisors

Hunter's Ridge Community Development District No. 1

Dear Board Members:

A Regular Meeting of the Board of Supervisors of the Hunter's Ridge Community Development District No. 1 will be held on December 5, 2018 at 9:00 a.m., at 21 Heron Wing Drive, Ormond Beach, Florida 32174. The agenda is as follows:

1. Call to Order/Roll Call
2. Public Comments
3. Administration of Oath of Office to Newly Elected Supervisors, Howard Lefkowitz [Seat], Patricia Hall [Seat 2] and Charles Lichtigman [Seat 5] (*the following to be provided in a separate package*)
 - A. Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees
 - B. Membership, Obligations and Responsibilities
 - C. Financial Disclosure Forms
 - i. Form 1: Statement of Financial Interests
 - ii. Form 1X: Amendment to Form 1, Statement of Financial Interests
 - iii. Form 1F: Final Statement of Financial Interests
 - D. Form 8B – Memorandum of Voting Conflict
4. Consideration of Resolution 2019-01, Canvassing and Certifying the Results of the Landowners' Election of Supervisors Held Pursuant to Section 190.006(2), Florida Statutes
5. Consideration of Resolution 2019-02, Electing the Officers of the District, and Providing for an Effective Date
6. Consider Appointment to Vacant Seat 4; *Term Expires November 2020*
 - Administration of Oath of Office to Newly Appointed Supervisor
7. Consideration of Engineer's Report

8. Consideration of Methodology Reports
 - A. First Addendum to Master Special Assessment Methodology Report
 - B. Supplemental Special Assessment Methodology Report
9. Consideration of Resolution 2019-03, District Declaring Special Assessments; Indicating the Location, Nature and Estimated Cost of Those Infrastructure Improvements Whose Cost is to Be Defrayed by the Special Assessments; Providing the Portion of the Estimated Cost of the Improvements to Be Defrayed By the Special Assessments; Providing the Manner In Which Such Special Assessments Shall Be Made; Providing When Such Special Assessments Shall Be Paid; Designating Lands Upon Which the Special Assessments Shall Be Levied; Providing for an Assessment Plat; Adopting a Preliminary Assessment Roll; Providing for Publication of this Resolution
10. Consideration of Resolution 2019-04, Setting a Public Hearing for the Purpose of Hearing Public Comment on Imposing Special Assessments on Certain Property Within the District in Accordance With Chapters 170, 190 and 197, Florida Statutes
11. Consideration of Resolution 2019-05, Designating a Date, Time, and Location of a Public Hearing Regarding the District's Intent to Use the Uniform Method for the Levy, Collection, and Enforcement of Non-Ad Valorem Special Assessments as Authorized by Section 197.3632, Florida Statutes; Authorizing the Publication of the Notice of Such Hearing; and Providing an Effective Date
12. Consideration of Resolution 2019-06, Authorizing the Issuance of Not to Exceed \$8,085,000 Aggregate Principal Amount of its Hunter's Ridge Community Development District No. 1 Special Assessment Bonds in One or More Series (the "Series 2019 Bonds"); Determining Certain Details of the Series 2019 Bonds; Approving the Form of and Authorizing the Execution and Delivery of a Master Trust Indenture, a First Supplemental Trust Indenture, a Second Supplemental Trust Indenture and a Third Supplemental Trust Indenture; Authorizing the Negotiated Sale of the Series 2019 Bonds; Appointing the Underwriter; Approving the Form of and Authorizing the Execution and Delivery of a Contract of Purchase With Respect to the Series 2019 Bonds and Awarding the Series 2019 Bonds to the Underwriter Named Therein Pursuant to the Parameters Set Forth in this Resolution; Approving the Form of and Authorizing the Distribution of the Preliminary Limited Offering Memorandum and its Use by the Underwriter in Connection With the Offering for Sale of the Series 2019 Bonds and Approving the Execution and Delivery of a Final Limited Offering Memorandum; Authorizing the Execution and Delivery of a Continuing Disclosure Agreement and the Appointment of a Dissemination Agent; Providing for the Application of Series 2019 Bond Proceeds; Authorizing the Proper Officials to Do All Things Deemed Necessary in Connection With the Issuance, Sale and Delivery of the Series 2019 Bonds; Making Certain Declarations; Appointing a Trustee; Providing for the Registration of the Bonds Pursuant to the DTC Book-Entry System; Providing an Effective Date and For Other Purposes

- A. Form of Indentures
 - i. Master Trust Indenture
 - ii. First Supplemental Trust Indenture
 - iii. Second Supplemental Trust Indenture
 - iv. Third Supplemental Trust Indenture
 - B. Form of Contract of Purchase
 - C. Form of Preliminary Limited Offering Memorandum
 - D. Form of Continuing Disclosure Agreements
13. Consideration of Bond Financing Team Related Matters
- A. Termination of Agreement for Underwriter Services with Citigroup Global Markets Inc.
 - B. Agreement for Underwriter Services: *fmsbonds, Inc.*
 - C. Bond Counsel Agreement: *Bryant Miller Olive P.A.*
14. Approval of Unaudited Financial Statements as of October 31, 2018
15. Approval of Minutes
- A. August 22, 2018 Public Hearing and Regular Meeting
 - B. November 1, 2018 Landowners' Meeting
16. Other Business
17. Staff Reports
- A. District Counsel: *Cobb Cole*
 - B. District Engineer: *Zev Cohen and Associates, Inc.*
 - C. District Manager: *Wrathell, Hunt and Associates, LLC*
 - NEXT MEETING DATE: June 6, 2019 at 3:30 P.M.
18. Board Members' Comments/Requests

19. Adjournment

Sincerely,



Howard McGaffney
District Manager

FOR BOARD MEMBERS AND STAFF TO ATTEND BY TELEPHONE

Call-in number: 1-888-354-0094

Conference ID: 7491428

HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1

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RESOLUTION 2019-01

A RESOLUTION CANVASSING AND CERTIFYING THE RESULTS OF THE LANDOWNERS' ELECTION OF SUPERVISORS FOR THE HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1 HELD PURSUANT TO SECTION 190.006(2), FLORIDA STATUTES

WHEREAS, pursuant to Section 190.006(2), Florida Statutes, a landowners' meeting is required to be held within 90 days of the District's creation and every two (2) years following the creation of a Community Development District for the purpose of electing Supervisors of the District; and

WHEREAS, following proper publication of notice thereof, such landowners' meeting was held on **November 1, 2018**, at which the below recited persons were duly elected by virtue of the votes cast in their respective favor; and

WHEREAS, the Board of Supervisors by means of this Resolution desires to canvass the votes, declare, and certify the results of said election;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1;

1. The following persons are found, certified, and declared to have been duly elected as Supervisors of and for the District, having been elected by the votes cast in their favor as shown, to wit:

<u>Howard Lefkowitz</u>	Votes	<u>168</u>
<u>Charles Lichtigman</u>	Votes	<u>112</u>
<u>Patricia Hall</u>	Votes	<u>94</u>

2. In accordance with said statute, and by virtue of the number of votes cast for the respective Supervisors, they are declared to have been elected for the following terms of office:

<u>Howard Lefkowitz</u>	four (4)-year term	SEAT <u>1</u>
<u>Charles Lichtigman</u>	four (4)-year term	SEAT <u>5</u>
<u>Patricia Hall</u>	two (2)-year term	SEAT <u>2</u>

3. Said terms of office shall commence immediately upon the adoption of this Resolution.

PASSED AND ADOPTED this 5th day of December, 2018

Chair/Vice Chair, Board of Supervisors

Secretary/Assistant Secretary

HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1

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RESOLUTION 2019-02

A RESOLUTION ELECTING THE OFFICERS OF THE HUNTER’S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1, FLAGLER COUNTY, FLORIDA, AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the Board of Supervisors (“Board”) of the Hunter’s Ridge Community Development District No. 1 (“District”) held their Landowners’ election for three (3) Board Seats on November 1, 2018; and

WHEREAS, pursuant to Chapter 190, *Florida Statutes*, the Board desires to elect the below recited persons to the offices specified.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HUNTER’S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1:

1. **DISTRICT OFFICERS:** The following persons are elected to the offices shown:

Chair	_____
Vice Chair	_____
Secretary	<u>Craig Wrathell</u>
Assistant Secretary	_____
Assistant Secretary	_____
Assistant Secretary	_____
Assistant Secretary	<u>Howard McGaffney</u>
Assistant Secretary	<u>Cindy Cerbone</u>
Treasurer	<u>Craig Wrathell</u>
Assistant Treasurer	<u>Jeff Pinder</u>

2. **EFFECTIVE DATE.** This Resolution shall become effective immediately upon its adoption

PASSED AND ADOPTED this 5th day of December, 2018.

Attest:

**HUNTER’S RIDGE COMMUNITY
DEVELOPMENT DISTRICT NO. 1**

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1

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HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1

7

Engineer's Report
for
Hunter's Ridge
Community Development District No. 1
Flagler County, Florida

ZC 13096

Revised November 28, 2018

Prepared By:

Zev Cohen & Associates, Inc.
Attn: Mr. Randy Hudak, P.E.
300 Interchange Blvd., Suite C
Ormond Beach, FL 32174

Prepared For:

Hunter's Ridge Community Development
District No. 1

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I. INTRODUCTION

DESCRIPTION OF HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT

This project consists of a mixed-density residential development within Flagler County, Florida consisting of 196.19 acres of the Huntington Village development and 18.76 acres of the Deerfield Trace development. A site location map is provided in Appendix A. The community will include 340 residential dwelling units divided into two (2) Assessment Areas. Assessment Area One contains 123 lots. This Area is developed and portions are constructed. Assessment Area Two contains 217 planned lots and is undeveloped.

<u>Assessment Area One</u>	<u># of Lots</u>
Parcel A-Northeast Parcel: Villas	16
Parcel B-Southeast Parcel: Villas	37
<u>Parcel C-Northwest Parcel: Woods (60s)</u>	<u>70</u>
Total	123

<u>Assessment Area Two</u>	<u># of Lots</u>
Parcel D: Villas	101
Parcel E: Green (60s)	68
Parcel E: Green (70s)	34
<u>Parcel F: Deerfield Trace (75s)</u>	<u>14</u>
Total	217

PURPOSE AND SCOPE

The purpose of this Engineer's Report is to provide cost, permit and entitlement information for the purpose of with respect to the public infrastructure improvements to be constructed or acquired by the Hunter's Ridge Community Development District No. 1(the "District"). All of the major infrastructure components will be described in the following sections. Cost estimates for the completion of this work will also be presented.

THE HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT

The District is designed to provide public infrastructure, services, and facilities along with operations and maintenance of same to a master planned residential development containing a total of 340 residential dwelling units, all within the boundaries of the District.

A Community Development District ("CDD") is an independent unit of special purpose local government authorized by Chapter 190, F.S., to plan, finance, construct, operate and maintain community-wide infrastructure in large, planned community developments. "CDDs provide a "solution" to the state's planning,

management and financing needs for delivery of capital infrastructure to service projected growth without overburdening other governments and their taxpayers.” Section 190.002(1)(a), F.S.

A CDD is not a substitute for the local, general purpose government unit, i.e., the City or County in which the CDD lies. A CDD does not have the permitting, zoning or policing powers possessed by general purpose governments. A CDD is an alternative means of financing, construction, operating and maintaining community infrastructure for developments, such as Huntington Village.

REPORT ASSUMPTIONS

In preparation of this report, Zev Cohen and Associates, Inc. (“ZCA”) relied on information provided by the developer in regards to details regarding the development of the District and acquisition of the infrastructure improvements. As the engineer of record, ZCA has a comprehensive knowledge of the design and construction of the proposed infrastructure improvements. Certain assumptions were also made with regard to all cost estimates, pricing, financing, etc. based on previous experience within the industry, local/recent construction costs and actual bid documents supplied by prospective Site Development Contractors. Presently there are several parcels of land in the boundaries of the CDD that comprise road rights-of-way, storm water, and other common grounds and buffers that are owned by the homeowners association. It is assumed these parcels will be deeded over/conveyed to the CDD prior to CDD’s funding of these and any additional improvements. It is assumed the CDD will own the land before any funds are spent by the CDD from bond proceeds on acquiring existing improvements and/or building additional improvements.

II. PROJECT BOUNDARY

PROPERTY BOUNDARY

The proposed development is located west of Interstate 95 and north of State Road 40. The project falls within Section 22, Township 14 South, Range 31 East within Unincorporated Flagler County, Florida.

DESCRIPTION OF PROJECT SERVED

Hunter’s Ridge is wholly located within an unincorporated portion of Flagler County relatively close in proximity to the City of Ormond Beach in Volusia County. The new development will be a fully contiguous community.

III. PROPOSED PROJECT

PROPOSED DISTRICT INFRASTRUCTURE

The District is expected to fund the construction and acquisition of certain public infrastructure improvements (the "Project") within the proposed development, including, but not limited to, the following:

Roadways:

- Public Roads
- Utilities (Irrigation System, Sanitary Sewer Conveyance System & Potable Water Distribution System)
- Stormwater Drainage System (Items necessary for conveyance of stormwater run-off such as pipes and drainage structures.)
- Private Roads (such as Base, Sub-Grade, & Pavement components)
- Electrical (Roadway Lighting, House Services, Primary Line Extensions)
- Sidewalks within common areas and rights-of-way
- Stormwater Management:
 - Associated Earthwork
 - Master Stormwater Drainage System
- Soft Costs (Engineering, Surveying, Platting, Permitting, other)

The capital improvements described in this report represent intentions of the Developer, as initial landowners, and the Hunter's Ridge Community Development District No. 1, subject to all applicable local general purpose government land use planning, zoning, and all other entitlements. The implementation of the improvements discussed in this report require final approval and acceptance by all applicable regulatory and permitting agencies on a local, state, and federal level. The actual improvements constructed at the completion of this proposed development may vary from the capital improvements described in this report. All cost estimates included in the following sections have been prepared based on ZCA's experience within this industry and local/recent construction costs. Furthermore, the final cost of all engineering design, permitting and approvals, construction, and all other costs associated with the completion of this Project may vary from the cost estimates presented in this report. The following sections will describe the elements that will comprise the Hunter's Ridge Community Development District No. 1 Capital Improvement Project.

STORMWATER MANAGEMENT SYSTEM

The stormwater management system for the development consists of excavated lakes, culverts, swales, inlets, interconnecting solid pipes, and water control structures. The St. Johns River Water Management District (SJRWMD) has permitted the entire development's Surface Water Management system.

The stormwater management facilities consists of stormwater ponds interconnected by a pipe system. All stormwater runoff from the subject property will be routed to these stormwater management lakes for the purposes of water quality treatment and attenuation of large storm events. The treated stormwater will be subsequently conveyed through the system and towards the receiving waters.

The proposed stormwater management system was designed to adhere to SJRWMD's minimum criteria for water quality treatment and flood protection.

As part of the required National Pollutant Discharge Elimination System (NPDES) permit requirements, Erosion and Sediment Control Plans were prepared and/or was/shall be implemented by the contractor throughout all construction. These plans include various stormwater pollution preventative measures such as: synthetic jute bales, staked silt fences, floating turbidity barriers, and truck wash-down areas.

In addition to the items mentioned above in regards to the stormwater management system, the roadway components necessary for the installation of the proposed drainage, such as the base, stabilized subgrade, gutters, or curb and gutter, drainage inlets and pipes, etc., will be accounted for within the responsibility of the District. Accordingly, they shall be considered within this report as part of the stormwater management system for CDD funding. The drainage system and road system will be owned and maintained by the CDD.

ROADWAYS

All roadways were designed and/or installed or will be constructed in accordance with all local, state, and federal codes. These roadways will also include all lighting as described in the following sections.

UTILITIES

The District funded utilities within the development consists of water, sanitary sewer, and irrigation lines. The water, sanitary sewer and irrigation systems have been designed by ZCA in accordance with Flagler County, City of Ormond Beach, Florida Department of Environmental Protection (DEP), and Florida Department of Health (DOH) standards. The sewage collection system and water distribution system will be owned and maintained by the City of Ormond Beach.

The water distribution facilities includes or will include all necessary valves, fire hydrants, and water services to individual lots and development parcels. The water system will utilize water provided by the City of Ormond Beach. This system will be operated and maintained by the City of Ormond Beach.

The proposed/constructed sanitary sewer facilities includes or will include a gravity sewer system, in conjunction with sanitary lift stations. The City of Ormond Beach will accept flow from the system as well as own and maintain it.

The proposed/constructed irrigation system includes or will include all necessary pumps, valves, fittings, and services to individual lots and development parcels. The Huntington Village Residents Association, Inc. owns and maintains the proposed/constructed system.

SIDEWALKS

The development is a pedestrian friendly community that includes or will include extensive sidewalk along all of the roadways. The sidewalks will be concrete throughout the entire community. All sidewalks are or will be ADA friendly, with curb ramps and detectable warnings at every street crossing where there is sidewalk on both sides. The CDD will own and maintain all of the sidewalks throughout the development.

IV. OPINION OF PROBABLE CONSTRUCTION COSTS

SUMMARY OF COSTS

The table below represents the opinion of probable cost for the District public infrastructure Project. This opinion of probable costs includes the estimated infrastructure costs for the aforementioned infrastructure improvements within this report including, but not limited to: materials, labor, construction, technical services, and contingencies. For new construction all estimates within this report are based on the monetary value of the dollar in 2018 and do not account for any inflation factors. All cost estimates for infrastructure previously installed are based upon actual costs at the time of such installation.

In order to arrive at the estimates presented in this Section of the report, the developer supplied a majority of the information concerning the infrastructure that will be funded by the District, as opposed to the infrastructure funded by the Developer. The following costs do not include, or account for the legal, administrative, financing, operation or maintenance services necessary to finance, construct, and operate the District-funded infrastructure.

DISTRIBUTION OF COSTS

Section III of this report discussed in detail the proposed infrastructure for this development, for which a portion will be funded by the District. The estimates presented in this section have been separated by individual items from the list of various infrastructure improvements that will be constructed.

<u>ITEM</u>	<u>ASSESSMENT AREA 1</u>	<u>ASSESSMENT AREA 2</u>		
	<u>A, B & C</u>	<u>D</u>	<u>E</u>	<u>F</u>
<u>SITE PREPERATION</u>	\$1,688,808	\$294,126	\$543,735	\$74,275
<u>SEWAGE COLLECTION SYSTEM</u>	\$501,313	\$255,773	\$281,401	\$124,897
<u>DRAINAGE SYSTEM</u>	\$216,546	\$247,083	\$324,864	\$66,939
<u>WATER DISTRIBUTION SYSTEM</u>	\$231,661	\$110,485	\$266,965	\$31,400
<u>RECLAIMED WATER SYSTEM</u>	\$117,218	\$256,149	\$246,341	\$22,733
<u>ROAD CONSTRUCTION</u>	\$881,688	\$464,796	\$792,000	\$113,938
<u>OFFSITE IMPROVEMENTS</u>		\$86,125	\$464,776	
<u>SOFT COSTS</u>		\$145,222	\$174,921	\$65,000
<u>TOTAL</u>	\$3,637,234	\$1,859,759	\$3,095,003	\$499,182

To summarize the ownership and operation/maintenance entity for each of the infrastructure improvements, please refer to the table below:

Proposed Infrastructure Improvements	Funding Entity	Ownership Entity	Operation and Maintenance Entity
Irrigation Water System	CDD	CDD	CDD
Road Improvements	CDD	CDD	CDD
Sanitary Sewer System	CDD	City	City
Potable Water Distribution System	CDD	City	City
Stormwater Management System	CDD	CDD	CDD

PERMITS

Local, state, and federal permits and approvals are required prior to the construction of the aforementioned infrastructure improvements to the proposed development. Permits and permit modifications are considered to be part of the design and permitting process and are applied for as required by various time constraints.

As the engineer of record, ZCA certifies that all permits known to be necessary to complete the construction of the infrastructure for the proposed development have

been indicated below. All permits have been received to install the infrastructure described herein. The full list of the permits received thus far can be seen provided upon request.

Permitting Agency	Type of Permit	CDD Community
Department of Environmental Protection (DEP)	Wastewater Permit	Huntington Green, Woods, Deerfield Trace, and Villas
Department of Health (DOH)	Domestic Wastewater Permit	Huntington Green, Woods, Deerfield Trace, and Villas
St. Johns River Water Management District (SJRWMD)	Environmental Resource Permit	Huntington Green, Woods, Deerfield Trace, and Villas
Flagler County	Land Development Permit	Huntington Green, Woods, Deerfield Trace, and Villas
Army Corp of Engineers (ACOE)	ACOE Permit	Huntington Green, Woods, Deerfield Trace, and Villas
Flagler County	Zoning Approval	Huntington Green, Woods, Deerfield Trace, and Villas
Flagler County	Preliminary Plat Approval	Huntington Green, Woods, Deerfield Trace, and Villas
Flagler County	Final Plat Approval	Huntington Green, Woods, Deerfield Trace, and Villas

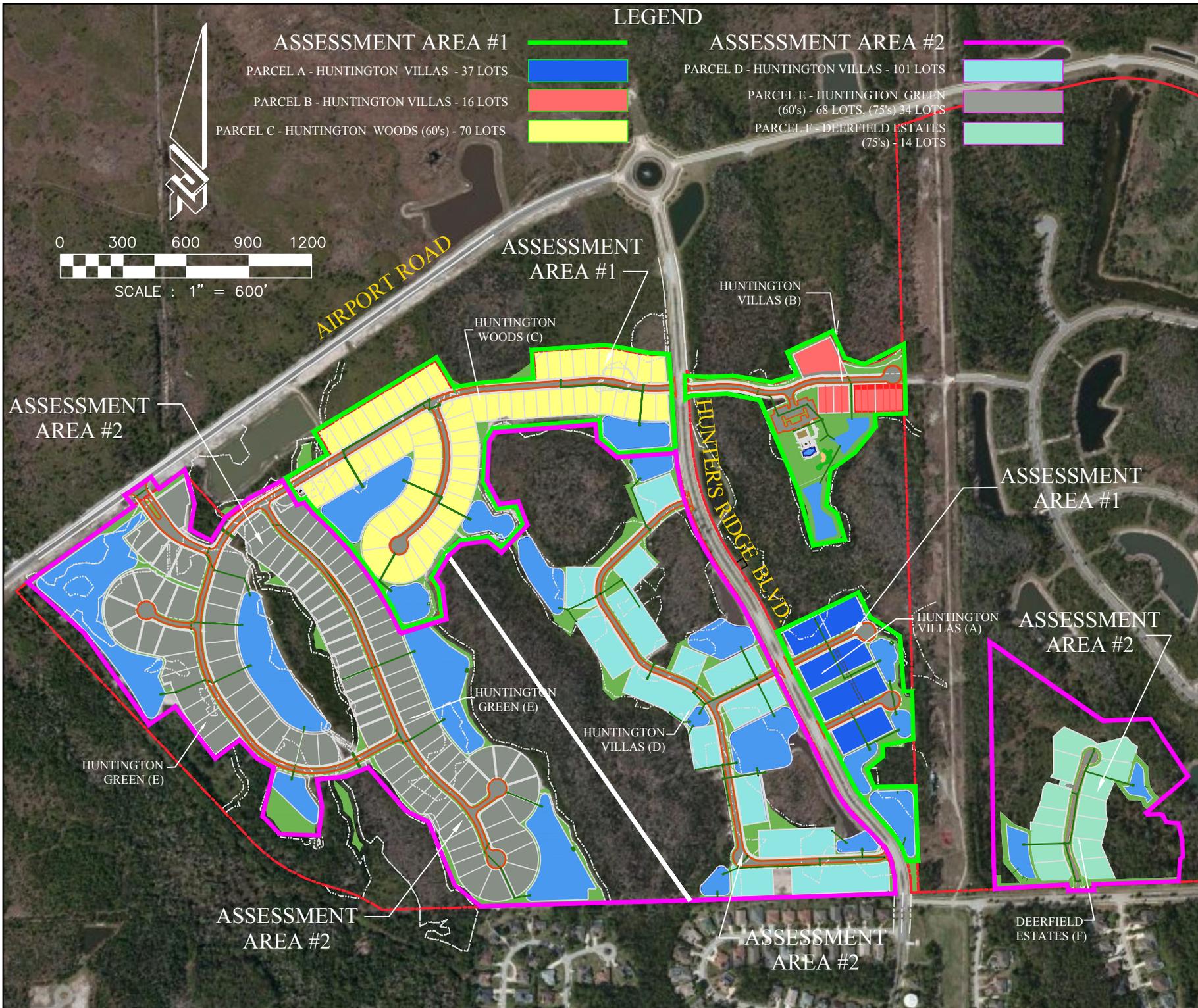
CONCLUSION

This report summarized all of the infrastructure improvements necessary to develop the community as required by the applicable governing agencies and good engineering practice. ZCA certifies that the design of the infrastructure for this development is in full compliance with all current requirements presented by the various applicable governing agencies involved, as of the date of permit issuance. The infrastructure presented in this report will serve its intended function to the Hunter's Ridge Community Development District No. 1 assuming substantial compliance with the design and permits issued for this project from all contractors involved.

It is ZCA's professional opinion that the costs associated with the Hunter's Ridge Community Development District No. 1 and/or proposed infrastructure improvements are reasonable.

It should be noted that this opinion of probable infrastructure cost is only an opinion determined by ZCA in combination with the Developer, and is not guaranteed maximum price. These costs were derived from various sources such as: estimates from the developer, historical unit pricing, site contractor bids and our own past experience within the infrastructure industry.

Therefore, ZCA is of the opinion that the construction of the infrastructure described in this report for the development can be completed at the costs stated in Section IV of this report. However, several unforeseen factors may alter the final cost, which are outside of the control of the District such as: future costs of labor, equipment and materials, increased future regulatory actions/measures, and unforeseen changes throughout the actual construction process. Due to these potential circumstances, the actual total final cost may vary from this opinion of probable infrastructure cost.



LEGEND

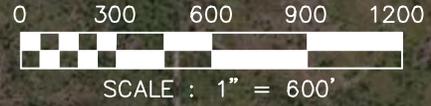
ASSESSMENT AREA #1

- PARCEL A - HUNTINGTON VILLAS - 37 LOTS
- PARCEL B - HUNTINGTON VILLAS - 16 LOTS
- PARCEL C - HUNTINGTON WOODS (60's) - 70 LOTS



ASSESSMENT AREA #2

- PARCEL D - HUNTINGTON VILLAS - 101 LOTS
- PARCEL E - HUNTINGTON GREEN (60's) - 68 LOTS, (75's) 34 LOTS
- PARCEL F - DEERFIELD ESTATES (75's) - 14 LOTS



ZEV COHEN & ASSOCIATES, INC.
 CIVIL ENGINEERS • LANDSCAPE ARCHITECTS (EB 4516)
 PLANNERS • TRANSPORTATION • ENVIRONMENTAL ORMOND BEACH
 300 INTERCHANGE BLVD., STE. #C, ORMOND BEACH, FL 32174
 (386) 677-2482 FAX (386) 677-2505 WWW.ZEVCOHEN.COM

**HUNTER'S RIDGE
 CDD INFRASTRUCTURE EXHIBIT
 ASSESSMENT AREAS**
 VOLUSIA COUNTY, FL.
 REVISED 10-17-18
 11-27-18

PROJECT NO: 13096
FILE: 13096-CDD ASSESSMENT EXH
DATE PREPARED: 10-29-18
SCALE: 1" = 600'
SHEET: 1 OF 1

HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1

8A

HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1

First Addendum to Master
Special Assessment
Methodology Report

December 5, 2018



Provided by:

Wrathell, Hunt and Associates, LLC
2300 Glades Road, Suite 410W
Boca Raton, FL 33431
Phone: 561-571-0010
Fax: 561-571-0013
Website: www.whhassociates.com

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1.0 Introduction

1.1 Purpose

The Hunter's Ridge Community Development District No. 1 (the "District") previously adopted the Preliminary Master Special Assessment Methodology Report dated May 21, 2014 (the "Master Report"). The Master Report set forth the original master financing program and original master assessment methodology to fund infrastructure improvements to support the development of lands within the District.

The purpose of this First Addendum to the Master Special Assessment Methodology Report (the "First Addendum") is to supplement and amend the Master Report to account for changes in the development plan for the District as well as the changes in the cost estimates of the capital improvements necessary to support the development of land in the District (the "Capital Improvement Program").

1.2 Scope of the First Addendum

This First Addendum presents the projections for financing the Capital Improvement Program as described in the Engineer's Report dated November 28, 2018 (the "Engineer's Report") prepared by Zev Cohen & Associates, Inc. (the "District Engineer"), and describes the method for the allocation of special benefits and the apportionment of special assessments resulting from the provision and funding of the Capital Improvement Program.

1.3 Special Benefits and General Benefits

Improvements undertaken and funded by the District as part of the Capital Improvement Program create special benefits and peculiar benefits, different in kind and degree than general benefits, for properties within the District, as well as general benefits to the areas outside the District and to the public at large. However, as discussed within this First Addendum, these general benefits are incidental in nature and are readily distinguishable from the special benefits which accrue to peculiar property within the District as the Capital Improvement Program enables properties within the boundaries of the District to be developed.

There is no doubt that the general public and property owners outside the District will benefit from the provision of the Capital Improvement Program. However, these benefits are only incidental

since the Capital Improvement Program is designed to provide special benefits peculiar to property within the District, including but not limited to allowing the development of property therein. Properties within the District are directly served by the Capital Improvement Program and depend upon the Capital Improvement Program to satisfy the requirements of their development entitlements. This fact alone clearly demonstrates the special benefits which the properties located within the District receive.

The Capital Improvement Program will provide the public infrastructure improvements necessary to make the lands within the District developable and saleable. The installation of such improvements will cause the value of the developable and saleable lands within the District to increase by more than the sum of the financed costs of the individual components of the Capital Improvement Program. Even though the exact value of the special benefits provided by the Capital Improvement Program is hard to estimate at this point, it is nevertheless greater than the costs associated with providing the same.

1.4 Requirements of a Valid Assessment Methodology

There are two requirements under Florida law for a valid special assessment:

- 1) The properties must receive a special benefit from the improvements being paid for.
- 2) The assessments must be fairly and reasonably allocated to the properties being assessed.

Florida law provides for a wide application of special assessments that meet these two characteristics of special assessments.

1.5 Special Benefits Exceed the Costs Allocated

The special benefits provided to the property owners within the District are greater than the costs associated with providing these benefits. As set forth in the Engineer's Report, the District Engineer estimates that the District's Capital Improvement Program that is necessary to support full development of property within the District will cost approximately \$9,091,178. The District projects that financing costs required to fund that portion of the costs of the Capital Improvement Program which is not expected to be contributed to the District by the Developer (to be defined further in this First Addendum) at no cost, the cost of issuance of future bonds, the funding of debt service reserves and capitalized interest, will total approximately \$10,405,000. Additional funding not financed with proceeds of indebtedness issued by the District and

necessary to complete the Capital Improvement Program may be funded by the Developer or its affiliates or assigns pursuant to a Completion Agreement entered into between the District and the Developer. Without the Capital Improvement Program, the property would not be able to be fully developed and occupied by future residents of the community.

1.6 Organization of the First Addendum

Section Two describes the development plan as proposed by the Developer, as defined in *Section 2* below.

Section Three provides a summary of the Capital Improvement Program as set forth in the Engineer's Report.

Section Four discusses the master financing program for the District.

Section Five sets out the master special assessment methodology for the District.

2.0 Development Program

2.1 Overview

The District will serve the Huntington at Hunter's Ridge development (the "Development" or "Huntington"), a master planned, residential development consisting of approximately 214.95 +/- acres located in unincorporated Flagler County, Florida. The land within the District is generally located west of Interstate 95, north of State Road 40 and is bounded on the north by Airport Road.

2.2 The Development Plan

The current development plan for Huntington envisions a total of 340 residential dwelling units and the development is expected to be conducted in two phases, with the first phase comprising 123 residential dwelling units within Parcels A, B and C (the "Assessment Area One") and the second phase comprising 217 residential dwelling units within Parcels D, E and F (the "Assessment Area Two"). The development has already commenced with a total of 119 residential lots out of the total of 123 located within Assessment Area One already platted, with 90 of these already sold to homebuilders or homeowners. The current

development plan represents an increase of 33 residential dwelling units from the development plan in effect at the time of adoption of the Master Report by the District. In addition, since the time of adoption of the Master Report, a new product type was added to the development plan with SF 75' residential dwelling units replacing SF 70' residential dwelling units. The development has been and is expected to continue to be conducted by BADC Asset Managers, Inc. an affiliate of the landowner, Huntington Communities, LLC (the "Developer"). Table 1 in the *Appendix* illustrates the current development plan for land in the District.

3.0 Capital Improvement Program

3.1 Overview

The infrastructure costs to be funded by the District are described by the District Engineer in the Engineer's Report. Only infrastructure that may qualify for public financing by the District under Chapter 190, Florida Statutes, was included in these estimates. The infrastructure for the Assessment Area One has already been partially completed.

3.2 The Capital Improvement Program

The Capital Improvement Program needed to serve the existing as well as planned development of Huntington is projected to consist of site preparation, sewage collection system, drainage system, water distribution system, reclaimed water system, roads and offsite improvements. The District Engineer identified not only the specific components but also the cost of the improvements that serve and provide benefit to Assessment Area One and Assessment Area Two, and within the Assessment Area Two Parcels D, E and F. Table 2 in the *Appendix* illustrates the projected total costs of the improvements for Assessment Area One, Assessment Area Two Parcel D, Assessment Area Two Parcel E and Assessment Area Two Parcel F. At the time of this writing, the total costs of the Capital Improvement Program are estimated at \$9,091,178, an increase over the estimates of \$5,926,028 contained in the Engineer's Report prepared by District Engineer and dated May, 2014.

4.0 Financing Program

4.1 Overview

As noted above, the District is embarking on a program of capital improvements which will facilitate the development of lands within the District. If the District were to finance the portion of the current costs of the Capital Improvement Program that would not result in the assessments for units located in Assessment Area One exceeding the maximum assessment levels set in the Master Report, it would likely have to issue up to approximately \$10,405,000 in bonds, comprising approximately \$2,925,000 in bonds financing improvements serving and benefitting the Assessment Area One, the Special Assessment Bonds, Series 2019 (Assessment Area One) (the "Series 2019 Area One Bonds"), \$4,200,000 in bonds financing a portion of the improvements serving and benefitting the Assessment Area Two, Special Assessment Bonds, Series 2019A (Assessment Area Two) (the "Series 2019A Area Two Bonds"), and \$3,280,000 in bonds financing the balance of the improvements serving and benefitting the Assessment Area Two, Special Assessment Bonds, Series 2019B (Assessment Area Two) (the "Series 2019B Area Two Bonds" and cumulatively with Series 2019 Area One Bonds and Series 2019A Area Two Bonds, the "Bonds"), even though the actual financing plan may change.

Please note that the purpose of this First Addendum is to allocate the benefit of the Capital Improvement Program to the various land uses in the District and based on such benefit allocation to apportion the maximum debt necessary to fund the Capital Improvement Program. The discussion of the structure and size of the indebtedness is based on various estimates and is subject to change.

Additionally, please note that the District contemplates funding only a portion of the Assessment Area One costs in the amount of approximately \$2,133,763.77 with proceeds of the Series 2019 Area One Bonds, while approximately \$1,503,470.23 in further Assessment Area One costs are expected to be contributed by the Developer to the District at no cost in order to lower assessments for debt service on the Series 2019 Area One Bonds to levels that would not result in the assessments for units located in Assessment Area One exceeding the maximum assessment levels set in the Master Report.

4.2 Types of Special Assessment Bonds Proposed

The proposed financing plan for the District provides for the issuance of the Bonds in the total amount of \$10,405,000 to defray construction/ acquisition expenses of \$7,587,707.77. The Bonds as projected under this master financing plan would be structured to be amortized in 30 annual installments following a 24-month capitalized interest period for the Series 2019 Area One Bonds and Series 2019A Area Two Bonds, and in one (1) installment at maturity following a 24-month capitalized interest period for the Series 2019B Area Two Bonds. Interest payments on the Bonds would be made every May 1 and November 1, and principal payments on the Series 2019 Area One Bonds and Series 2019A Area Two Bonds would be made every November 1.

In order to finance \$7,587,707.77 in improvement costs, the District would need to borrow more funds and incur indebtedness in the total amount of \$10,405,000. The difference is comprised of debt service reserve, capitalized interest, underwriter's discount and costs of issuance. Preliminary sources and uses of funding and other financing assumptions are presented in Table 3 in the *Appendix*.

Please note that the structure of the Bonds as presented in this First Addendum is preliminary and may change due to changes in the development program, market conditions, timing of infrastructure installation as well as other reasons. The District maintains complete flexibility as to the structure of any indebtedness that it may issue and reserves the right to modify it as necessary.

5.0 Assessment Methodology

5.1 Overview

The issuance of the Bonds provides the District with funds necessary to construct/acquire the balance of the infrastructure improvements which are part of the Capital Improvement Program outlined in *Section 3.2* and described in more detail by the District Engineer in the Engineer's Report. These improvements lead to special and general benefits, with special benefits accruing to the properties within the boundaries of the District and general benefits accruing to areas outside the District and being only incidental in nature. The debt incurred in financing the infrastructure construction/acquisition will be paid off by assessing properties that

derive special and peculiar benefits from the revised Capital Improvement Program. All properties that receive special benefits from the Capital Improvement Program will be assessed for their fair share of the debt issued in order to finance the construction/acquisition of the Capital Improvement Program.

5.2 Benefit Allocation

According to the District Engineer, the Capital Improvement Program will serve and provide benefit to all residential units in the District. Nevertheless, the District Engineer identified in the Engineer's Report the specific costs of improvements that are designed to serve and provide benefit to Assessment Area One, Assessment Area Two Parcel D, Assessment Area Two Parcel E, and Assessment Area Two Parcel F.

The improvements that are part of the Capital Improvement Program have a logical connection to the special and peculiar benefits received by the land within the District, as without such improvements, the development of the properties within the District would not be possible. Based upon the connection between the improvements and the special and peculiar benefits to the land within the District, the District can assign or allocate a portion of the District's debt through the imposition of non-ad valorem assessments, to the land receiving such special and peculiar benefits. Even though these special and peculiar benefits are real and ascertainable, the precise amount of the benefit cannot yet be calculated with mathematical certainty. However, such benefit is more valuable than the cost of, or the actual non-ad valorem assessment amount levied on that parcel.

The development of land in the District is to include a recreational facility (the "Clubhouse Facility") to be constructed by the Developer and owned and operated by the property owners' association. Even though it is beyond question that the Clubhouse Facility will benefit from the provision of the District's Capital Improvement Program, it is proposed that they not be assessed for any capital costs associated with the provision of the Capital Improvement Program. The rationale for this exemption is that the cost of any capital assessments levied on them would ultimately be borne by the capital assessment-paying residential property owners within the District. Consequently, Clubhouse Facility is proposed not to be assessed.

As originally proposed in the Master Report, the benefit associated with the implementation by the District of the improvements that are part of the Capital Improvement Program of the District is proposed to be allocated to the different residential unit types in proportion to the density of development and intensity of use of the infrastructure as measured by a standard unit called an Equivalent Residential Unit ("ERU"). Table 4 in the *Appendix* illustrates the residential unit types proposed to be developed within the District, the number of residential units of each residential unit type, the ERU weights that are proposed to be assigned to the different residential unit types proposed to be developed within the District based on the relative density of development and the intensity of use of infrastructure and the total ERU counts for each land use category.

The rationale behind these ERU weights is supported by the fact that generally and on average smaller units will use and benefit from the District's public infrastructure improvements less than larger units, as generally and on average smaller units produce less storm water runoff, produce fewer vehicular trips, and need less water and sewer capacity than larger units. Additionally, the value of the larger units is likely to appreciate by more in terms of dollars than that of the smaller units as a result of the implementation of the Capital Improvement Program. As the exact amount of the benefit and appreciation is not possible to be calculated at this time, the use of ERU measures serves as a reasonable approximation of the relative amount of benefit received from the District's improvements.

Using the ERU benefit allocations developed in Table 4 and applying them to the cost estimates of the Capital Improvement Program illustrated in Table 2, Table 5 in the *Appendix* illustrates the allocation of benefit of the Capital Improvement Program to the various residential unit types in the District. The allocation is divided into four (4) parts: the first part for the 123 residential dwelling units projected to be developed in Assessment Area One; the second part for the 101 residential dwelling units that are part of Assessment Area Two Parcel D; the third part for the 102 residential dwelling units that are part of Assessment Area Two Parcel E; and the fourth part for the 14 residential dwelling units that are part of Assessment Area Two Parcel F.

As illustrated in Table 5, the District will finance only a total of approximately \$7,587,707.77 in Capital Improvement Program costs (\$2,133,763.77 for the Assessment Area One, \$1,859,759 for the Assessment Area Two Parcel D, \$3,095,003 for the Assessment Area Two Parcel E, and \$499,182 for the Assessment

Area Two Parcel F) with proceeds of the Bonds, as improvements in the amount of \$1,503,470.23 are expected to be contributed by the Developer to the District at no cost in order to lower assessments for debt service on the Series 2019 Area One Bonds to levels that would not result in the assessments for units located in Assessment Area One exceeding the maximum assessment levels set in the Master Report.

Finally, Tables 6 and 7 in the *Appendix* illustrate the apportionment of the assessment associated with the Series 2019 Area One Bonds and Series 2019A Area Two Bonds (for Table 6) and the assessment associated with the Series 2019B Area Two Bonds (for Table 7) in accordance with the ERU benefit allocation method presented in Table 4 and Capital Improvement Plan cost allocation presented in Table 5.

5.3 Assigning Assessment

As of the total of 123 planned residential dwelling units in Assessment Area One 119 residential lots have already been platted, the assessment associated with repayment of the Series 2019 Area One Bonds (the “Series 2019 Area One Assessment”) will be assigned to the platted lots on the basis of their unit type, with 70 SF 60’ units and 49 Villa 35’ units that have been platted apportioned a total of \$2,857,638.48 in Series 2019 Area One Assessment, while the remaining \$67,361.52 in Series 2019 Area One Assessment will initially be apportioned on an equal gross acre basis on the balance of the land in Assessment Area One that is the intended location for the remaining four (4) Villa 35’ units that have not been platted to date. Consequently, \$67,361.52 in Series 2019 Area One Assessment will initially be levied on approximately 2.93 +/- gross acres at the rate of \$22,990.28 per gross acre.

As of the time of writing of this First Addendum, the land in Assessment Area Two has not yet been platted and all of the land in Assessment Area Two is contained within four (4) parcels of land whose total gross area totals approximately 153.99 +/- gross acres. Consequently, the assessment associated with repayment of the Series 2019A Area Two Bonds (the “Series 2019A Area Two Assessment”) and the assessment associated with repayment of the Series 2019B Area Two Bonds (the “Series 2019B Area Two Assessment”) will initially be levied on the parcels of land within Assessment Area Two on an equal gross acre basis and Series 2019A Area Two Assessment in the total amount of \$4,200,000 will be levied on approximately 153.99 +/- gross acres in Assessment Area Two at the rate of \$27,274.50 per gross acre, while the Series

2019B Area Two Assessment in the total amount of \$3,280,000 will be levied on approximately 153.99 +/- gross acres in Assessment Area Two at the rate of \$21,300.08 per gross acre.

As the unplatted land is platted, the Series 2019 Area One Assessment, Series 2019A Area Two Assessment and Series 2019B Area Two Assessment will be apportioned to each platted parcel on a first platted-first assigned basis based on the planned use for that platted parcel as reflected in Tables 6 and 7 in the *Appendix*. Such allocation of Series 2019 Area One Assessment, Series 2019A Area Two Assessment and Series 2019B Area Two Assessment to platted parcels will reduce the amount of Series 2019 Area One Assessment, Series 2019A Area Two Assessment and Series 2019B Area Two Assessment levied on unplatted gross acres.

Further, to the extent that any residential land which has not been platted is sold to another landowner, developer or builder, the Series 2019 Area One Assessment, Series 2019A Area Two Assessment and Series 2019B Area Two Assessment (cumulatively the "Assessment") will be assigned to such parcel at the time of the sale based upon the development rights associated with such parcel that are transferred from seller to buyer. The District shall provide an estoppel or similar document to the buyer evidencing the amount of Assessment transferred at sale.

5.4 Lienability Test: Special and Peculiar Benefit to the Property

As first discussed in *Section 1.3*, Special Benefits and General Benefits, the implementation of the Capital Improvement Program creates special and peculiar benefits to properties within the District. The improvements that are part of the Capital Improvement Program benefit all assessable properties within the District and accrue to all such properties, with the exception described in the previous section, on an ERU basis.

The Capital Improvement Program can be shown to be creating special and peculiar benefits to the properties within the District. The special and peculiar benefits resulting from each improvement are:

- a. added use of the property;
- b. added enjoyment of the property;
- c. decreased insurance premiums;
- d. increased marketability and value of the property.

The improvements that are part of the Capital Improvement Program make the land in the District developable and saleable and provide special and peculiar benefits which are greater than the benefits of any single category of improvements. These special and peculiar benefits are real and ascertainable, but not yet capable of being calculated and assessed in terms of numerical value; however, such benefits are more valuable than either the cost of, or the actual assessment levied for, the improvement or debt allocated to the parcel of land.

5.5 Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay

A reasonable estimate of the proportion of special and peculiar benefits received from the provision of the Capital Improvement Program is delineated in Table 4 (expressed as ERU factors) in the *Appendix*.

The apportionment of the assessments is fair and reasonable because, with the exception mentioned in *Section 5.2*, it was conducted on the basis of consistent application of the methodology described in *Section 5.2* across all assessable property within the District according to reasonable estimates of the special and peculiar benefits derived from the improvements that are part of the Capital Improvement Program by different residential units.

Accordingly, no acre or parcel of property within the District will be liened for the payment of any non-ad valorem special assessment more than the determined special benefit peculiar to that property.

5.6 True-Up Mechanism

The Assessment Methodology described herein is based on conceptual information obtained from the Developer prior to construction. As development occurs it is possible that the number of ERUs may change. The mechanism for maintaining the methodology over the changes is referred to as true-up.

This mechanism is to be utilized to ensure that the Bond Assessment on a per ERU basis never exceeds the initially allocated assessment as contemplated in the adopted assessment methodology. Please note that the True-Up Mechanism will be described in detail in a supplemental methodology drafted prior to issuance of any District indebtedness.

5.7 Preliminary Assessment Roll

Included in Exhibit "A" please find the Preliminary Assessment Roll illustrating the initial apportionment of the Series 2019 Area One Assessment, Series 2019A Area Two Assessment and Series 2019B Area Two Assessment to parcels of land that are subject to the Series 2019 Area One Assessment, Series 2019A Area Two Assessment and Series 2019B Area Two Assessment. Excluding any capitalized interest period, debt service assessment shall be paid in thirty (30) annual installments.

6.0 Additional Stipulations

6.1 Overview

Wrathell, Hunt and Associates, LLC was retained by the District to prepare a methodology to fairly allocate the special assessments related to the District's Capital Improvement Program. Certain financing, development and engineering data was provided by members of District Staff and/or the Developer. The allocation Methodology described herein was based on information provided by those professionals. Wrathell, Hunt and Associates, LLC makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this report. For additional information on the Bond structure and related items, please refer to the Offering Statement associated with this transaction.

Wrathell, Hunt and Associates, LLC does not represent the District as a Municipal Advisor or Securities Broker nor is Wrathell, Hunt and Associates, LLC registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, Wrathell, Hunt and Associates, LLC does not provide the District with financial advisory services or offer investment advice in any form.

7.0 Appendix

Table 1

Hunter's Ridge
Community Development District No. 1

Development Plan

Unit Type	Assessment Area One Units	Assessment Area Two Parcel D Units	Assessment Area Two Parcel E Units	Assessment Area Two Parcel F Units	Total Units
SF 60'	70	0	68	0	138
SF 75'	0	0	34	0	34
Villa 35'	53	101	0	0	154
Estate	0	0	0	14	14
Total	123	101	102	14	340

Table 2

Hunter's Ridge
Community Development District No. 1

Capital Improvement Program

Improvement Category	Assessment Area One Costs	Assessment Area Two Parcel D Costs	Assessment Area Two Parcel E Costs	Assessment Area Two Parcel F Costs	Total Costs
Site Preparation	\$1,688,808	\$294,126	\$543,735	\$74,275	\$2,600,944
Sewage Collection System	\$501,313	\$255,773	\$281,401	\$124,897	\$1,163,384
Drainage System	\$216,546	\$247,083	\$324,864	\$66,939	\$855,432
Water Distribution System	\$231,661	\$110,485	\$266,965	\$31,400	\$640,511
Reclaimed Water System	\$117,218	\$256,149	\$246,341	\$22,733	\$642,441
Roads	\$881,688	\$464,796	\$792,000	\$113,938	\$2,252,422
Off-site Improvements	\$0	\$86,125	\$464,776	\$0	\$550,901
Soft Costs	\$0	\$145,222	\$174,921	\$65,000	\$385,143
Total	\$3,637,234	\$1,859,759	\$3,095,003	\$499,182	\$9,091,178

Table 3

Hunter's Ridge
Community Development District No. 1

Preliminary Sources and Uses of Funds

	Series 2019 Area One Bonds	Series 2019A Area Two Bonds	Series 2019B Area Two Bonds	Total All Bonds
Sources				
Bond Proceeds:				
Par Amount	\$2,925,000.00	\$4,200,000.00	\$3,280,000.00	\$10,405,000.00
Total Sources	\$2,925,000.00	\$4,200,000.00	\$3,280,000.00	\$10,405,000.00
Uses				
Project Fund Deposits:				
Project Fund	\$2,133,763.77	\$3,063,865.92	\$2,390,078.08	\$7,587,707.77
Other Fund Deposits:				
Debt Service Reserve Fund	\$212,498.07	\$305,125.43	\$238,288.43	\$755,911.92
Capitalized Interest Fund	\$351,000.00	\$504,000.00	\$393,600.00	\$1,248,600.00
	\$563,498.07	\$809,125.43	\$631,888.43	\$2,004,511.92
Delivery Date Expenses:				
Costs of Issuance	\$154,613.17	\$222,008.65	\$173,378.18	\$550,000.00
Underwriter's Discount	\$73,125.00	\$105,000.00	\$82,000.00	\$260,125.00
	\$227,738.17	\$327,008.65	\$255,378.18	\$810,125.00
Rounding	\$0.00	\$0.00	\$2,655.31	\$2,655.31
Total Uses	\$2,925,000.00	\$4,200,000.00	\$3,280,000.00	\$10,405,000.00

Table 4

Hunter's Ridge
Community Development District No. 1

Benefit Allocation

Unit Type	Total Units	ERU Factor per Unit
SF 60'	138	1.00
SF 75'	34	1.25
Villa 35'	154	0.58
Estate	14	1.67
Total	340	

Table 5

Hunter's Ridge Community Development District No. 1

Capital Improvement Plan Cost Allocation - Assessment Area One

Unit Type	Total Units	ERU Factor per Unit	Total ERU	Total Cost Allocation	Total Developer Contribution*	Total Cost Financed with Bonds
SF 60'	70	1.00	70.00	\$2,527,361.33	\$1,044,698.39	\$1,482,662.93
Villa 35'	53	0.58	30.74	\$1,109,872.67	\$458,771.84	\$651,100.84
Total	123		100.74	\$3,637,234.00	\$1,503,470.23	\$2,133,763.77

* Please note that before any Bonds are issued, the Developer may elect to contribute more finished improvements in lieu of the District issuing such Bonds

Capital Improvement Plan Cost Allocation - Assessment Area Two Parcel D

Unit Type	Total Units	Total Cost Allocation	Total Developer Contribution**	Total Cost Financed with Bonds
Villa 35'	101	\$1,859,759.00	\$0.00	\$1,859,759.00
Total	101	\$1,859,759.00	\$0.00	\$1,859,759.00

** Please note that before any Bonds are issued, the Developer may elect to contribute more finished improvements in lieu of the District issuing such Bonds

Capital Improvement Plan Cost Allocation - Assessment Area Two Parcel E

Unit Type	Total Units	ERU Factor per Unit	Total ERU	Total Cost Allocation	Total Developer Contribution**	Total Cost Financed with Bonds
SF 60'	68	1.00	68.00	\$1,904,617.23	\$0.00	\$1,904,617.23
SF 75'	34	1.25	42.50	\$1,190,385.77	\$0.00	\$1,190,385.77
Total	102		110.5	\$3,095,003.00	\$0.00	\$3,095,003.00

** Please note that before any Bonds are issued, the Developer may elect to contribute more finished improvements in lieu of the District issuing such Bonds

Capital Improvement Plan Cost Allocation - Assessment Area Two Parcel F

Unit Type	Total Units	Total Cost Allocation	Total Developer Contribution**	Total Cost Financed with Bonds
Estate	14	\$499,182.00	\$0.00	\$499,182.00
Total	14	\$499,182.00	\$0.00	\$499,182.00

** Please note that before any Bonds are issued, the Developer may elect to contribute more finished improvements in lieu of the District issuing such Bonds

Table 6

Hunter's Ridge Community Development District No. 1

Series 2019 Area One Assessment Apportionment

Unit Type	Total Units	Total Series 2019 Area One Assessment	Series 2019 Area One Assessment per Unit	Total Annual Debt Service Series 2019 Area One Assessment Payment*	Annual Debt Service Series 2019 Area One Assessment Payment per Unit*
SF 60'	70	\$2,032,459.80	\$29,035.14	\$157,080.84	\$2,244.01
Villa 35'	53	\$892,540.20	\$16,840.38	\$68,980.93	\$1,301.53
Total	123	\$2,925,000.00		\$226,061.77	

* Includes allocation for costs of collection and early payment discount

Series 2019A Area Two Assessment Apportionment - Parcel D

Unit Type	Total Units	Total Series 2019A Area Two Assessment	Series 2019A Area Two Assessment per Unit	Total Annual Debt Service Series 2019A Area Two Assessment Payment*	Annual Debt Service Series 2019A Area Two Assessment Payment per Unit*
Villa 35'	101	\$1,462,112.24	\$14,476.36	\$113,000.92	\$1,118.82
Total	101	\$1,462,112.24		\$113,000.92	

* Includes allocation for costs of collection and early payment discount

Series 2019A Area Two Assessment Apportionment - Parcel E

Unit Type	Total Units	Total Series 2019A Area Two Assessment	Series 2019A Area Two Assessment per Unit	Total Annual Debt Service Series 2019A Area Two Assessment Payment*	Annual Debt Service Series 2019A Area Two Assessment Payment per Unit*
SF 60'	68	\$1,413,486.52	\$20,786.57	\$109,242.83	\$1,606.51
SF 75'	34	\$908,669.91	\$26,725.59	\$70,227.53	\$2,065.52
Total	102	\$2,322,156.43		\$179,470.36	

* Includes allocation for costs of collection and early payment discount

Series 2019A Area Two Assessment Apportionment - Parcel F

Unit Type	Total Units	Total Series 2019A Area Two Assessment	Series 2019A Area Two Assessment per Unit	Total Annual Debt Service Series 2019A Area Two Assessment Payment*	Annual Debt Service Series 2019A Area Two Assessment Payment per Unit*
Estate	14	\$415,731.33	\$29,695.10	\$32,130.24	\$2,295.02
Total	14	\$415,731.33		\$32,130.24	

* Includes allocation for costs of collection and early payment discount

Table 7

Hunter's Ridge

Community Development District No. 1

Series 2019B Area Two Assessment Apportionment - Parcel D

Unit Type	Total Units	Total Series 2019B Area Two Assessment	Series 2019B Area Two Assessment per Unit
Villa 35'	101	\$839,533.71	\$8,312.21
Total	101	\$839,533.71	

Series 2019B Area Two Assessment Apportionment - Parcel E

Unit Type	Total Units	Total Series 2019B Area Two Assessment	Series 2019B Area Two Assessment per Unit
SF 60'	68	\$1,356,553.47	\$19,949.32
SF 75'	34	\$734,799.80	\$21,611.76
Total	102	\$2,091,353.27	

Series 2019B Area Two Assessment Apportionment - Parcel F

Unit Type	Total Units	Total Series 2019B Area Two Assessment	Series 2019B Area Two Assessment per Unit
Estate	14	\$349,113.03	\$24,936.64
Total	14	\$349,113.03	

Exhibit "A"

Parcel Number	Owner	Address	Unit	Assessment
22-14-31-0252-00000-0010	GALLERY HOMES OF DELAND INC	200 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$29,035.14
22-14-31-0252-00000-0020	GALLERY HOMES OF DELAND INC	200 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$29,035.14
22-14-31-0252-00000-0030	EACOBACCI MITCHELL J & ANGELA EACOBACCI H&W	9 HUNTINGTON PLACE ORMOND BEACH, FL 3217	SF 60'	\$29,035.14
22-14-31-0252-00000-0040	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00000-0050	DALY NINA P	45 FOREST VIEW WAY ORMOND BEACH, FL 3217	SF 60'	\$29,035.14
22-14-31-0252-00000-0060	HODAK JAMES LEE SR & CAROL LYNN HODAK H&W	15 HUNTINGTON PLACE ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00000-0070	DOCKERY JOHN J & KATHERINE D H&W	17 HUNTINGTON PLACE ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00000-0080	ELDRIDGE THOMAS D & MARGARET L H&W	19 HUNTINGTON PLACE ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00000-0090	GALLERY HOMES OF DELAND INC	200 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$29,035.14
22-14-31-0252-00000-0100	HOLIDAY BUILDERS INC	2293 WEST EAU GALLIE BLVD MELBOURNE, FL 3293	SF 60'	\$29,035.14
22-14-31-0252-00000-0110	HOLIDAY BUILDERS INC	2293 WEST EAU GALLIE BLVD MELBOURNE, FL 3293	SF 60'	\$29,035.14
22-14-31-0252-00000-0120	LUBIN HADLEY J & KAREN S H&W	11610 NW 42ND STREET SUNRISE, FL 33323	SF 60'	\$29,035.14
22-14-31-0252-00000-0130	HOLIDAY BUILDERS INC	2293 WEST EAU GALLIE BLVD MELBOURNE, FL 3293	SF 60'	\$29,035.14
22-14-31-0252-00000-0140	HOLIDAY BUILDERS INC	2293 WEST EAU GALLIE BLVD MELBOURNE, FL 3293	SF 60'	\$29,035.14
22-14-31-0252-00000-0150	HOLIDAY BUILDERS INC	2293 WEST EAU GALLIE BLVD MELBOURNE, FL 3293	SF 60'	\$29,035.14
22-14-31-0252-00000-0160	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00000-0170	GALLERY HOMES OF DELAND INC	204 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$29,035.14
22-14-31-0252-00000-0180	GALLERY HOMES OF DELAND INC	203 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$29,035.14
22-14-31-0252-00000-0190	GALLERY HOMES OF DELAND INC	202 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$29,035.14
22-14-31-0252-00000-0200	GALLERY HOMES OF DELAND INC	201 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$29,035.14
22-14-31-0252-00000-0210	EPTON PEGGY A LIFE ESTATE	13 SHEER WATER TRAIL ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00000-0220	MANCINI VINCENT D & BEVERLY J H&W	15 SHEAR WATER TRAIL ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00000-0230	EDENFIELD SUSAN BRUDER	17 SHEAR WATER TRAIL ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00000-0240	HEIDORN ROBERT M & DENISE H&W	21 SHEAR WATER TRAIL ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00000-0250	GALLERY HOMES OF DELAND INC	200 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$29,035.14
22-14-31-0252-00000-0260	GREER LAWRENCE HOLMES & SUSAN CHERYL GREER H&W	25 SHEAR WATER TRAIL ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00000-0270	GALLERY HOMES OF DELAND INC	200 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$29,035.14
22-14-31-0252-00000-0280	GALLERY HOMES OF DELAND INC	200 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$29,035.14
22-14-31-0252-00000-0290	GALLERY HOMES OF DELAND INC	200 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$29,035.14
22-14-31-0252-00000-0300	GALLERY HOMES OF DELAND INC	200 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$29,035.14
22-14-31-0252-00000-0310	GALLERY HOMES OF DELAND INC	200 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$29,035.14
22-14-31-0252-00000-0320	BISLAND JOHN & CYNTHIA L H&W	26 SHEAR WATER TRAIL ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00000-0330	GALLERY HOMES OF DELAND INC	200 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$29,035.14
22-14-31-0252-00000-0340	BROWN DEBORAH J	22 SHEAR WATER TRAIL ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00000-0350	GALLERY HOMES OF DELAND INC	200 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$29,035.14
22-14-31-0252-00000-0360	OWNER		SF 60'	\$29,035.14
22-14-31-0252-00000-0370	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00000-0380	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00000-0390	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00000-0400	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00000-0410	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00000-0420	HOLIDAY BUILDERS INC	2293 WEST EAU GALLIE BLVD MELBOURNE, FL 3293	SF 60'	\$29,035.14
22-14-31-0252-00000-0430	CAVITT PHILIP L & JENNIFER M IRVING JTWROS	20 HUNTINGTON PLACE ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00000-0440	SCHAEFFER JERRY WENDALL & PATRICIA DIANE H&W	18 HUNTINGTON PLACE ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00000-0450	GEORGIA CAROLINE TUCKER	16 HUNTINGTON PLACE ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00000-0460	HUNT DONALD J & JEAN H&W	14 HUNTINGTON PLACE ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00000-0470	HOLIDAY BUILDERS INC	2293 WEST EAU GALLIE BLVD MELBOURNE, FL 3293	SF 60'	\$29,035.14
22-14-31-0252-00000-0480	KHAN KHALID	10 HUNTINGTON PLACE ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00000-0490	HOLIDAY BUILDERS INC	2293 WEST EAU GALLIE BLVD MELBOURNE, FL 3293	SF 60'	\$29,035.14
22-14-31-0252-00000-0500	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00020-0510	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00020-0520	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00020-0530	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00020-0540	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00020-0550	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00020-0560	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00020-0570	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00020-0580	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00020-0590	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00020-0600	HOLIDAY BUILDERS INC	2293 WEST EAU GALLIE BLVD MELBOURNE, FL 32935	SF 60'	\$29,035.14
22-14-31-0252-00020-0610	HOLIDAY BUILDERS INC	2293 WEST EAU GALLIE BLVD MELBOURNE, FL 32935	SF 60'	\$29,035.14
22-14-31-0252-00020-0620	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00020-0630	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00020-0640	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00020-0650	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00020-0660	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00020-0670	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00020-0680	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00020-0690	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0252-00020-0700	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$29,035.14
22-14-31-0253-00000-0630	CERINO THOMAS E & BEVERLY R H&W	34 HERON WING DRIVE ORMOND BEACH, FL 32174	Villa 35'	\$16,840.38
22-14-31-0253-00000-0640	JANOVER HOWARD M & MAUREEN H&W	36 HERON WING DRIVE ORMOND BEACH, FL 32174	Villa 35'	\$16,840.38
22-14-31-0253-00000-0650	SICOTAKIS LINDA G & MICHELLE PELLETIER JTWROS	38 HERON WIND DRIVE ORMOND BEACH, FL 32174	Villa 35'	\$16,840.38
22-14-31-0253-00000-0660	GARRISON PRESTON J & SUSAN B GARRISON H&W	40 HERON WING DRIVE ORMOND BEACH, FL 32174	Villa 35'	\$16,840.38
22-14-31-0253-00000-0670	KELLY MARY C	42 HERON WING DRIVE ORMOND BEACH, FL 32174	Villa 35'	\$16,840.38
22-14-31-0253-00000-0680	GUILD HARRISON K & MARYKE Y H&W	44 HERON WING DRIVE ORMOND BEACH, FL 32174	Villa 35'	\$16,840.38

Exhibit "A"

Parcel Number	Owner	Address	Unit	Assessment
22-14-31-0253-00000-0690	COWERN BARBARA CONLEY	46 HERON WING DRIVE ORMOND BEACH, FL 32174	Villa 35'	\$16,840.38
22-14-31-0253-00000-0700	BURKETT SUSAN IRENE & JUDITH ANN SWAYZE JTWROS	29 HERON WING DR ORMOND BEACH, FL 3217	Villa 35'	\$16,840.38
22-14-31-0253-00000-0710	ALDERMAN NANCY	27 HERON WING DRIVE ORMOND BEACH, FL 32174	Villa 35'	\$16,840.38
22-14-31-0253-00000-0720	BURRES ROYAL S & JERILYN L H&W	25 HERON WING DRIVE ORMOND BEACH, FL 32174	Villa 35'	\$16,840.38
22-14-31-0253-00000-0730	BLAKE CAROL & LILLIAN R BRUSH JTWROS	23 HERON WING DRIVE ORMOND BEACH, FL 32174	Villa 35'	\$16,840.38
22-14-31-0253-00000-0740	KAPROLET CHARLES MICHAEL & SANDRA KAY BALES JTWROS	3203 CONNEMARA DR ORMOND BEACH, FL 32174	Villa 35'	\$16,840.38
22-14-31-0256-00000-1180	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$16,840.38
22-14-31-0256-00000-1190	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$16,840.38
22-14-31-0256-00000-1200	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$16,840.38
22-14-31-0256-00000-1210	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$16,840.38
22-14-31-0256-00000-1220	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$16,840.38
22-14-31-0256-00000-1230	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$16,840.38
22-14-31-0256-00000-1240	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$16,840.38
22-14-31-0256-00000-1250	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$16,840.38
22-14-31-0256-00000-1260	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$16,840.38
22-14-31-0256-00000-1270	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$16,840.38
22-14-31-0256-00000-1280	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$16,840.38
22-14-31-0256-00000-1290	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$16,840.38
22-14-31-0256-00000-1300	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$16,840.38
22-14-31-0256-00000-1310	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$16,840.38
22-14-31-0256-00000-1320	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$16,840.38
22-14-31-0256-00000-1330	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$16,840.38
22-14-31-0256-00000-1340	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$16,840.38
22-14-31-0256-00000-1350	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$16,840.38
22-14-31-0256-00000-1360	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$16,840.38
22-14-31-0256-00000-1370	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$16,840.38
22-14-31-0256-00000-1380	MOSCOSO JILL & KYLE ANDREW MOSCOSO JTWROS	10 HAWK ROOST COURT ORMOND BEACH, FL 32174	Villa 35'	\$16,840.38
22-14-31-0256-00000-1390	MANZA LOUIS M & KATHLEEN H&W	12 HAWK ROOST COURT ORMOND BEACH, FL 32174	Villa 35'	\$16,840.38
22-14-31-0256-00000-1400	GRANADA HOMES LLC	620 N DENNING DRIVE, STE 100 WINTER PARK, FL 32789	Villa 35'	\$16,840.38
22-14-31-0256-00000-1410	GRANADA HOMES LLC	620 N DENNING DRIVE, STE 100 WINTER PARK, FL 32789	Villa 35'	\$16,840.38
22-14-31-0256-00000-1420	GRANADA HOMES LLC	620 N DENNING DRIVE, STE 100 WINTER PARK, FL 32789	Villa 35'	\$16,840.38
22-14-31-0256-00000-1430	GRANADA HOMES LLC	620 N DENNING DRIVE, STE 100 WINTER PARK, FL 32789	Villa 35'	\$16,840.38
22-14-31-0256-00000-1440	GRANADA HOMES LLC	620 N DENNING DRIVE, STE 100 WINTER PARK, FL 32789	Villa 35'	\$16,840.38
22-14-31-0256-00000-1450	GRANADA HOMES LLC	620 N DENNING DRIVE, STE 100 WINTER PARK, FL 32789	Villa 35'	\$16,840.38
22-14-31-0256-00000-1460	GRANADA HOMES LLC	620 N DENNING DRIVE, STE 100 WINTER PARK, FL 32789	Villa 35'	\$16,840.38
22-14-31-0256-00000-1470	GRANADA HOMES LLC	620 N DENNING DRIVE, STE 100 WINTER PARK, FL 32789	Villa 35'	\$16,840.38
22-14-31-0256-00000-1480	MURPHY THOMAS J & MAUREEN H&W	15 HAWK ROOST COURT ORMOND BEACH, FL 32174	Villa 35'	\$16,840.38
22-14-31-0256-00000-1490	GRANADA HOMES LLC	620 N DENNING DRIVE, STE 100 WINTER PARK, FL 32789	Villa 35'	\$16,840.38
22-14-31-0256-00000-1500	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	Villa 35'	\$16,840.38
22-14-31-0256-00000-1510	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	Villa 35'	\$16,840.38
22-14-31-0256-00000-1520	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	Villa 35'	\$16,840.38
22-14-31-0256-00000-1530	SYKES JAMES E JR & MAJORIE J H&W	5 HAWK ROOST CT ORMOND BEACH, FL 32174	Villa 35'	\$16,840.38
22-14-31-0256-00000-1540	SHEPARD ALLEN L & MARY E H&W	60 WINOOSKI FALLS WAY WINOOSKI, VT 05404	Villa 35'	\$16,840.38
22-14-31-0253-00000-0R10	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	Acres	\$67,361.52
21-14-31-0000-01010-0010	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	Acres	\$647,013.44
22-14-31-0000-01010-0030	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	Acres	\$3,293,842.46
22-14-31-0000-01010-0040	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	Acres	\$2,666,258.85
22-14-31-0000-01010-0100	ROYAL LIONS GATE LLC	12 TWELVE OAKS TRAIL, ORMOND BEACH, FL 32174	Acres	\$872,885.25
Total				\$10,405,000.00

HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1

8B

HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1

Supplemental
Special Assessment
Methodology Report

December 5, 2018



Provided by:

Wrathell, Hunt and Associates, LLC
2300 Glades Road, Suite 410W
Boca Raton, FL 33431
Phone: 561-571-0010
Fax: 561-571-0013
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1.0 Introduction

1.1 Purpose

This Supplemental Special Assessment Methodology Report (the “Supplemental Report”) was developed to supplement the Preliminary Master Special Assessment Methodology Report dated May 21, 2014 (the “Master Report”) and the First Addendum to the Master Special Assessment Methodology Report dated December 5, 2018 (the “First Addendum”). This Supplemental Report was developed specifically to provide a supplemental financing plan and a supplemental special assessment methodology for financing a portion of the costs of public infrastructure improvements (the “Capital Improvement Program”) necessary to support the development of land located within the Hunter’s Ridge Community Development District No. 1 (the “District”).

1.2 Scope of the Supplemental Report

This Supplemental Report presents the projections for financing a portion of the costs of the Capital Improvement Program as described in the Engineer’s Report dated November 28, 2018 (the “Engineer’s Report”) prepared by Zev Cohen & Associates, Inc. (the “District Engineer”), and describes the method for the allocation of special benefits and the apportionment of special assessments resulting from the provision and funding of a portion of the costs of the Capital Improvement Program.

1.3 Organization of the Supplemental Report

Section Two describes the development plan as proposed by the Developer, as defined in *Section 2* below.

Section Three provides a summary of the Capital Improvement Program as set forth in the Engineer’s Report.

Section Four discusses the financing program for the District.

Section Five presents the application of the special assessment methodology for the District.

2.0 Development Program

2.1 Overview

The District will serve the Huntington at Hunter's Ridge development (the "Development" or "Huntington"), a master planned, residential development consisting of approximately 214.95 +/- acres located in unincorporated Flagler County, Florida. The land within the District is generally located west of Interstate 95, north of State Road 40 and is bounded on the north by Airport Road.

2.2 The Development Plan

The current development plan for Huntington envisions a total of 340 residential dwelling units and the development is expected to be conducted in two phases, with the first phase comprising 123 residential dwelling units within Parcels A, B and C (the "Assessment Area One") and the second phase comprising 217 residential dwelling units within Parcels D, E and F (the "Assessment Area Two"). The development has already commenced with a total of 119 residential lots out of the total of 123 located within Assessment Area One already platted, with 90 of these already sold to homebuilders or homeowners. The current development plan represents an increase of 33 residential dwelling units from the development plan in effect at the time of adoption of the Master Report by the District. In addition, since the time of adoption of the Master Report, a new product type was added to the development plan with SF 75' residential dwelling units replacing SF 70' residential dwelling units. The development has been and is expected to continue to be conducted by BADC Asset Managers, Inc. an affiliate of the landowner, Huntington Communities, LLC (the "Developer"). Table 1 in the *Appendix* illustrates the current development plan for land in the District.

3.0 Capital Improvement Program

3.1 Overview

The infrastructure costs to be funded by the District are described by the District Engineer in the Engineer's Report. Only infrastructure that may qualify for public financing by the District under Chapter 190, Florida Statutes, was included in these estimates. The infrastructure for the Assessment Area One has already been partially completed.

3.2 The Capital Improvement Program

The Capital Improvement Program needed to serve the existing as well as planned development of Huntington is projected to consist of site preparation, sewage collection system, drainage system, water distribution system, reclaimed water system, roads and offsite improvements. The District Engineer identified not only the specific components but also the cost of the improvements that serve and provide benefit to Assessment Area One and Assessment Area Two, and within the Assessment Area Two Parcels D, E and F. Table 2 in the *Appendix* illustrates the projected total costs of the improvements for Assessment Area One, Assessment Area Two Parcel D, Assessment Area Two Parcel E and Assessment Area Two Parcel F. At the time of this writing, the total costs of the Capital Improvement Program are estimated at \$9,091,178.

4.0 Financing Program

4.1 Overview

As noted above, the District is embarking on a program of capital improvements which will facilitate the development of lands within the District. It is the District's intention to finance a portion of the costs of the Capital Improvement Program that will not be contributed to the District at no cost by the Developer as part of the planned issuance of bonds by the District in 2019. The District intends to issue Special Assessment Bonds, Series 2019 (Assessment Area One) (the "Series 2019 Area One Bonds") in the principal amount of approximately \$2,065,000 to finance a portion of the costs of the Capital Improvement Program for units located in Assessment Area One. In addition, the District intends to issue Special Assessment Bonds, Series 2019A (Assessment Area Two) (the "Series 2019A Area Two Bonds") in the principal amount of approximately \$3,805,000 and Special Assessment Bonds, Series 2019B (Assessment Area Two) (the "Series 2019B Area Two Bonds") in the principal amount of approximately \$1,973,000 to finance a portion of the costs of the Capital Improvement Program for units located in Assessment Area Two. Series 2019 Area One Bonds will finance the infrastructure construction/acquisition costs of approximately \$1,688,217.99, while the Series 2019A Area Two Bonds and Series 2019B Area Two Bonds will jointly will finance the infrastructure construction/acquisition costs of approximately \$4,380,803.13. Consequently, as the Series 2019 Area One

Bonds, Series 2019A Area Two Bonds and Series 2019B Area Two Bonds (cumulatively the “Bonds”) will finance the infrastructure construction/acquisition costs of approximately \$6,069,021.12, Capital Improvement Program costs in the total amount of approximately \$3,022,156.88 are expected to be contributed to the District at no cost by the Developer in order to fully fund the total costs of all improvements of the Assessment Area One and Assessment Area Two.

4.2 Types of Special Assessment Bonds Proposed

The proposed financing plan for the District provides for the issuance of the Bonds in the total amount of approximately \$7,843,000 to defray construction/ acquisition expenses of approximately \$6,069,021.12. The Bonds will be amortized in 30 annual installments following a 12-month capitalized interest period for the Series 2019 Area One Bonds and Series 2019A Area Two Bonds, and in one (1) installment at maturity following a 24-month capitalized interest period for the Series 2019B Area Two Bonds. Interest payments on the Bonds will be made every May 1 and November 1, and principal payments on the Series 2019 Area One Bonds and Series 2019A Area Two Bonds would be made every November 1.

In order to finance approximately \$6,069,021.12 in improvement costs, the District will need to borrow more funds and incur indebtedness in the total amount of approximately \$7,843,000. The difference is comprised of debt service reserve, capitalized interest, underwriter's discount and costs of issuance. Sources and uses of funding are presented in Table 3 in the *Appendix*.

5.0 Assessment Methodology

5.1 Overview

The issuance of the Bonds provides the District with funds necessary to construct/acquire a portion of the infrastructure improvements which are part of the Capital Improvement Program outlined in *Section 3.2* and described in more detail by the District Engineer in the Engineer's Report. These improvements lead to special and general benefits, with special benefits accruing to the properties within the boundaries of the District and general benefits accruing to areas outside the District and being only incidental in nature. The debt incurred in financing the infrastructure construction/acquisition will be paid off by assessing properties that

derive special and peculiar benefits from the Capital Improvement Program. All properties that receive special benefits from the Capital Improvement Program will be assessed for their fair share of the debt issued in order to finance the construction/acquisition of the Capital Improvement Program.

5.2 Benefit Allocation

According to the District Engineer, the Capital Improvement Program will serve and provide benefit to all residential units in the District. Nevertheless, the District Engineer identified in the Engineer's Report the specific costs of improvements that are designed to serve and provide benefit to Assessment Area One, Assessment Area Two Parcel D, Assessment Area Two Parcel E, and Assessment Area Two Parcel F.

The improvements that are part of the Capital Improvement Program have a logical connection to the special and peculiar benefits received by the land within the District, as without such improvements, the development of the properties within the District would not be possible. Based upon the connection between the improvements and the special and peculiar benefits to the land within the District, the District can assign or allocate a portion of the District's debt through the imposition of non-ad valorem assessments, to the land receiving such special and peculiar benefits. Even though these special and peculiar benefits are real and ascertainable, the precise amount of the benefit cannot yet be calculated with mathematical certainty. However, such benefit is more valuable than the cost of, or the actual non-ad valorem assessment amount levied on that parcel.

The development of land in the District is to include a recreational facility (the "Clubhouse Facility") to be constructed by the Developer and owned and operated by the property owners' association. Even though it is beyond question that the Clubhouse Facility will benefit from the provision of the District's Capital Improvement Program, it is proposed that they not be assessed for any capital costs associated with the provision of the Capital Improvement Program. The rationale for this exemption is that the cost of any capital assessments levied on them would ultimately be borne by the capital assessment-paying residential property owners within the District. Consequently, Clubhouse Facility is proposed not to be assessed.

As originally proposed in the Master Report, the benefit associated with the implementation by the District of the improvements that are

part of the Capital Improvement Program of the District is proposed to be allocated to the different residential unit types in proportion to the density of development and intensity of use of the infrastructure as measured by a standard unit called an Equivalent Residential Unit ("ERU"). Table 4 in the *Appendix* illustrates the residential unit types proposed to be developed within the District, the number of residential units of each residential unit type, the ERU weights that are proposed to be assigned to the different residential unit types proposed to be developed within the District based on the relative density of development and the intensity of use of infrastructure and the total ERU counts for each land use category.

The rationale behind these ERU weights is supported by the fact that generally and on average smaller units will use and benefit from the District's public infrastructure improvements less than larger units, as generally and on average smaller units produce less storm water runoff, produce fewer vehicular trips, and need less water and sewer capacity than larger units. Additionally, the value of the larger units is likely to appreciate by more in terms of dollars than that of the smaller units as a result of the implementation of the Capital Improvement Program. As the exact amount of the benefit and appreciation is not possible to be calculated at this time, the use of ERU measures serves as a reasonable approximation of the relative amount of benefit received from the District's improvements.

Using the ERU benefit allocations developed in Table 4 and applying them to the cost estimates of the Capital Improvement Program illustrated in Table 2, Table 5 in the *Appendix* illustrates the allocation of benefit of the Capital Improvement Program to the various residential unit types in the District. The allocation is divided into four (4) parts: the first part for the 123 residential dwelling units projected to be developed in Assessment Area One; the second part for the 101 residential dwelling units that are part of Assessment Area Two Parcel D; the third part for the 102 residential dwelling units that are part of Assessment Area Two Parcel E; and the fourth part for the 14 residential dwelling units that are part of Assessment Area Two Parcel F.

As illustrated in Table 5, the District will finance only a total of approximately \$6,069,021.12 in Capital Improvement Program costs (\$1,688,217.99 for the Assessment Area One, \$1,387,094.75 for the Assessment Area Two Parcel D, \$2,548,924.14 for the Assessment Area Two Parcel E, and \$444,784.24 for the Assessment Area Two Parcel F) with proceeds of the Bonds, as improvements in the amount of \$3,022,156.88 are expected to be

contributed by the Developer to the District at no cost in order to facilitate the marketing of the units within the District.

Finally, Tables 6 and 7 in the *Appendix* illustrate the apportionment of the assessment associated with the Series 2019 Area One Bonds and Series 2019A Area Two Bonds (for Table 6) and the assessment associated with the Series 2019B Area Two Bonds (for Table 7) in accordance with the ERU benefit allocation method presented in Table 4 and Capital Improvement Plan cost allocation presented in Table 5.

5.3 Assigning Assessment

As of the total of 123 planned residential dwelling units in Assessment Area One 119 residential lots have already been platted, the assessment associated with repayment of the Series 2019 Area One Bonds (the “Series 2019 Area One Assessment”) will be assigned to the platted lots on the basis of their unit type, with 70 SF 60’ units and 49 Villa 35’ units that have been platted apportioned a total of \$2,012,104.82 in Series 2019 Area One Assessment, while the remaining \$52,895.18 in Series 2019 Area One Assessment will initially be apportioned on an equal gross acre basis on the balance of the land in Assessment Area One that is the intended location for the remaining four (4) Villa 35’ units that have not been platted to date. Consequently, \$52,895.18 in Series 2019 Area One Assessment will initially be levied on approximately 2.93 +/- gross acres at the rate of \$18,052.96 per gross acre.

As of the time of writing of this Supplemental Report, the land in Assessment Area Two has not yet been platted and all of the land in Assessment Area Two is contained within four (4) parcels of land whose total gross area totals approximately 153.99 +/- gross acres. Consequently, the assessment associated with repayment of the Series 2019A Area Two Bonds (the “Series 2019A Area Two Assessment”) and the assessment associated with repayment of the Series 2019B Area Two Bonds (the “Series 2019B Area Two Assessment”) will initially be levied on the parcels of land within Assessment Area Two on an equal gross acre basis and Series 2019A Area Two Assessment in the total amount of \$3,805,000 will be levied on approximately 153.99 +/- gross acres in Assessment Area Two at the rate of \$24,709.40 per gross acre, while the Series 2019B Area Two Assessment in the total amount of \$1,973,000 will be levied on approximately 153.99 +/- gross acres in Assessment Area Two at the rate of \$12,812.52 per gross acre.

As the unplatted land is platted, the Series 2019 Area One Assessment, Series 2019A Area Two Assessment and Series 2019B Area Two Assessment will be apportioned to each platted parcel on a first platted-first assigned basis based on the planned use for that platted parcel as reflected in Tables 6 and 7 in the *Appendix*. Such allocation of Series 2019 Area One Assessment, Series 2019A Area Two Assessment and Series 2019B Area Two Assessment to platted parcels will reduce the amount of Series 2019 Area One Assessment, Series 2019A Area Two Assessment and Series 2019B Area Two Assessment levied on unplatted gross acres.

Further, to the extent that any residential land which has not been platted is sold to another landowner, developer or builder, the Series 2019 Area One Assessment, Series 2019A Area Two Assessment and Series 2019B Area Two Assessment (cumulatively the "Assessment") will be assigned to such parcel at the time of the sale based upon the development rights associated with such parcel that are transferred from seller to buyer. The District shall provide an estoppel or similar document to the buyer evidencing the amount of Assessment transferred at sale.

5.4 Lienability Test: Special and Peculiar Benefit to the Property

As first discussed in *Section 1.3*, Special Benefits and General Benefits, the implementation of the Capital Improvement Program creates special and peculiar benefits to properties within the District. The improvements that are part of the Capital Improvement Program benefit all assessable properties within the District and accrue to all such properties, with the exception described in the previous section, on an ERU basis.

The Capital Improvement Program can be shown to be creating special and peculiar benefits to the properties within the District. The special and peculiar benefits resulting from each improvement are:

- a. added use of the property;
- b. added enjoyment of the property;
- c. decreased insurance premiums;
- d. increased marketability and value of the property.

The improvements that are part of the Capital Improvement Program make the land in the District developable and saleable and provide special and peculiar benefits which are greater than the benefits of any single category of improvements. These special

and peculiar benefits are real and ascertainable, but not yet capable of being calculated and assessed in terms of numerical value; however, such benefits are more valuable than either the cost of, or the actual assessment levied for, the improvement or debt allocated to the parcel of land.

5.5 Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay

A reasonable estimate of the proportion of special and peculiar benefits received from the provision of the Capital Improvement Program is delineated in Table 4 (expressed as ERU factors) in the *Appendix*.

The apportionment of the assessments is fair and reasonable because, with the exception mentioned in *Section 5.2*, it was conducted on the basis of consistent application of the methodology described in *Section 5.2* across all assessable property within the District according to reasonable estimates of the special and peculiar benefits derived from the improvements that are part of the Capital Improvement Program by different residential units.

Accordingly, no acre or parcel of property within the District will be lienied for the payment of any non-ad valorem special assessment more than the determined special benefit peculiar to that property.

5.6 True-Up Mechanism

The assessment methodology described herein is based on conceptual information obtained from the Developer prior to construction. As development occurs it is possible that the number of units and residential unit types and numbers may change. The mechanism for maintaining the methodology over the changes is referred to as true-up.

This mechanism is to be utilized to ensure that the Assessment on a per unit basis never exceeds the maximum assessment levels in Tables 6 and 7 in the *Appendix*. If as a result of platting and apportionment of the Assessment, Assessment for land that remains unplatted is equal to the levels shown in Tables 6 and 7 in the *Appendix*, then no true-up adjustment will be necessary.

If as a result of platting and apportionment of the Assessment to the land in either Assessment Area One or Assessment Area Two, Assessment for land that remains unplatted in either assessment

area is equal to less than the levels in shown in Tables 6 and 7 in the *Appendix* (either as a result of an overall larger number of residential units, same number of larger residential units substituting for smaller residential units, or both), then the per unit Assessment for all residential units within the particular assessment area where that occurred will be lowered if that state persists at the conclusion of platting of land within such assessment area.

If, in contrast, a result of platting and apportionment of the Assessment to the land in either Assessment Area One or Assessment Area Two, Assessment for land that remains unplatted in either assessment area is equal to more than the levels shown in Tables 6 and 7 in the *Appendix* (either as a result of an overall smaller number of residential units, same number of smaller residential units substituting for larger residential units, or both), then the difference in Assessment plus accrued interest will be collected from the owner of the property which platting caused the increase in Assessment to occur, in accordance with a true-up agreement to be entered into between the District and the Developer, which will be binding on assignees.

The owner(s) of the property will be required to immediately remit to the Trustee for redemption a true-up payment equal to the value of the Assessment that represents the units that have been lost as a result of changes in the development plan plus accrued interest to the next succeeding interest payment date on the Bonds, unless such interest payment date occurs within 45 days of such true-up payment, in which case the accrued interest shall be paid to the following interest payment date.

In addition to platting of property, any planned sale of an unplatted land by the Developer to another builder or developer will cause the District to initiate a true-up test as described above. The test will be based upon the development rights as signified by the number of units of residential unit types associated with such parcel that are transferred from seller to buyer. The District shall provide an estoppel or similar document to the buyer evidencing the amount of Assessment transferred at sale.

5.7 Assessment Roll

Included in Exhibit "A" please find the Assessment Roll illustrating the apportionment of the Series 2019 Area One Assessment, Series 2019A Area Two Assessment and Series 2019B Area Two Assessment to parcels of land that are subject to the Series 2019 Area One Assessment, Series 2019A Area Two Assessment and

Series 2019B Area Two Assessment. Excluding any capitalized interest period, debt service assessment shall be paid in thirty (30) annual installments for Series 2019 Area One Bonds and Series 2019A Area Two Bonds.

6.0 Additional Stipulations

6.1 Overview

Wrathell, Hunt and Associates, LLC was retained by the District to prepare a methodology to fairly allocate the special assessments related to the District's Capital Improvement Program. Certain financing, development and engineering data was provided by members of District Staff and/or the Developer. The allocation Methodology described herein was based on information provided by those professionals. Wrathell, Hunt and Associates, LLC makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this report. For additional information on the Bond structure and related items, please refer to the Offering Statement associated with this transaction.

Wrathell, Hunt and Associates, LLC does not represent the District as a Municipal Advisor or Securities Broker nor is Wrathell, Hunt and Associates, LLC registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, Wrathell, Hunt and Associates, LLC does not provide the District with financial advisory services or offer investment advice in any form.

7.0 Appendix

Table 1

Hunter's Ridge
Community Development District No. 1

Development Plan

Unit Type	Assessment Area One Units	Assessment Area Two Parcel D Units	Assessment Area Two Parcel E Units	Assessment Area Two Parcel F Units	Total Units
SF 60'	70	0	68	0	138
SF 75'	0	0	34	0	34
Villa 35'	53	101	0	0	154
Estate	0	0	0	14	14
Total	123	101	102	14	340

Table 2

Hunter's Ridge
Community Development District No. 1

Capital Improvement Program

Improvement Category	Assessment Area One Costs	Assessment Area Two Parcel D Costs	Assessment Area Two Parcel E Costs	Assessment Area Two Parcel F Costs	Total Costs
Site Preparation	\$1,688,808	\$294,126	\$543,735	\$74,275	\$2,600,944
Sewage Collection System	\$501,313	\$255,773	\$281,401	\$124,897	\$1,163,384
Drainage System	\$216,546	\$247,083	\$324,864	\$66,939	\$855,432
Water Distribution System	\$231,661	\$110,485	\$266,965	\$31,400	\$640,511
Reclaimed Water System	\$117,218	\$256,149	\$246,341	\$22,733	\$642,441
Roads	\$881,688	\$464,796	\$792,000	\$113,938	\$2,252,422
Off-site Improvements	\$0	\$86,125	\$464,776	\$0	\$550,901
Soft Costs	\$0	\$145,222	\$174,921	\$65,000	\$385,143
Total	\$3,637,234	\$1,859,759	\$3,095,003	\$499,182	\$9,091,178

Table 3

Hunter's Ridge Community Development District No. 1

Sources and Uses of Funds

	Series 2019 Area One Bonds	Series 2019A Area Two Bonds	Series 2019B Area Two Bonds	Total All Bonds
Sources				
Bond Proceeds:				
Par Amount	\$2,065,000.00	\$3,805,000.00	\$1,973,000.00	\$7,843,000.00
Total Sources	\$2,065,000.00	\$3,805,000.00	\$1,973,000.00	\$7,843,000.00
Uses				
Project Fund Deposits:				
Project Fund	\$1,688,217.99	\$2,961,905.32	\$1,418,897.81	\$6,069,021.12
Other Fund Deposits:				
Debt Service Reserve Fund	\$69,868.85	\$266,156.89	\$139,523.14	\$475,548.88
Capitalized Interest Fund	\$110,477.50	\$214,982.50	\$226,895.00	\$552,355.00
	\$180,346.35	\$481,139.39	\$366,418.14	\$1,027,903.88
Delivery Date Expenses:				
Costs of Issuance	\$144,810.66	\$266,830.29	\$138,359.05	\$550,000.00
Underwriter's Discount	\$51,625.00	\$95,125.00	\$49,325.00	\$196,075.00
	\$196,435.66	\$361,955.29	\$187,684.05	\$746,075.00
Total Uses	\$2,065,000.00	\$3,805,000.00	\$1,973,000.00	\$7,843,000.00

Table 4

Hunter's Ridge Community Development District No. 1

Benefit Allocation

Unit Type	Total Units	ERU Factor per Unit
SF 60'	138	1.00
SF 75'	34	1.25
Villa 35'	154	0.58
Estate	14	1.67
Total	340	

Table 5

Hunter's Ridge Community Development District No. 1

Capital Improvement Plan Cost Allocation - Assessment Area One

Unit Type	Total Units	ERU Factor per Unit	Total ERU	Total Cost Allocation	Total Developer Contribution	Total Cost Financed with Bonds
SF 60'	70	1.00	70.00	\$2,527,361.33	\$1,412,124.64	\$1,115,236.69
Villa 35'	53	0.58	30.74	\$1,109,872.67	\$536,891.38	\$572,981.30
Total	123		100.74	\$3,637,234.00	\$1,949,016.01	\$1,688,217.99

Capital Improvement Plan Cost Allocation - Assessment Area Two Parcel D

Unit Type	Total Units	Total Cost Allocation	Total Developer Contribution	Total Cost Financed with Bonds
Villa 35'	101	\$1,660,043.85	\$272,949.10	\$1,387,094.75
Total	101	\$1,660,043.85	\$272,949.10	\$1,387,094.75

Capital Improvement Plan Cost Allocation - Assessment Area Two Parcel E

Unit Type	Total Units	ERU Factor per Unit	Total ERU	Total Cost Allocation	Total Developer Contribution	Total Cost Financed with Bonds
SF 60'	68	1.00	68.00	\$1,926,988.42	\$337,338.26	\$1,589,650.17
SF 75'	34	1.25	42.50	\$1,204,367.76	\$245,093.79	\$959,273.97
Total	102		110.5	\$3,131,356.19	\$582,432.05	\$2,548,924.14

Capital Improvement Plan Cost Allocation - Assessment Area Two Parcel F

Unit Type	Total Units	Total Cost Allocation	Total Developer Contribution	Total Cost Financed with Bonds
Estate	14	\$662,543.96	\$217,759.72	\$444,784.24
Total	14	\$662,543.96	\$217,759.72	\$444,784.24

Unit Type	Total Units	ERU Factor per Unit	Total ERU	Total Cost Allocation	Total Developer Contribution	Total Cost Financed with Bonds
SF 60'	68	1.00	68.00	\$1,926,988.42	\$337,338.26	\$1,589,650.17
SF 75'	34	1.25	42.50	\$1,204,367.76	\$245,093.79	\$959,273.97
Villa 35'	101	0.58	58.58	\$1,660,043.85	\$272,949.10	\$1,387,094.75
Estate	14	1.67	23.38	\$662,543.96	\$217,759.72	\$444,784.24
Total	217		192.46	\$5,453,944.00	\$1,073,140.87	\$4,380,803.13

Table 6

Hunter's Ridge Community Development District No. 1

Series 2019 Area One Assessment Apportionment

Assessment Apportionment - Assessment Area One

Unit Type	Total Units	Total Series 2019 Area One Assessment	Series 2019 Area One Assessment per Unit	Total Annual Debt Service Series 2019 Area One Assessment Payment*	Service Series 2019 Area One Assessment Payment per Unit*
SF 60'	70	\$1,364,138.86	\$19,487.70	\$98,202.89	\$1,402.90
Villa 35'	53	\$700,861.14	\$13,223.80	\$50,454.24	\$951.97
Total	123	\$2,065,000.00		\$148,657.14	

* Includes allocation for costs of collection and early payment discount

Series 2019A Area Two Assessment Apportionment - Parcel D

Unit Type	Total Units	Total Series 2019A Area Two Assessment	Series 2019A Area Two Assessment per Unit	Total Annual Debt Service Series 2019A Area Two Assessment Payment*	Annual Debt Service Series 2019A Area Two Assessment Payment per Unit*
Villa 35'	101	\$1,324,604.07	\$13,114.89	\$98,569.21	\$975.93
Total	101	\$1,324,604.07		\$98,569.21	

* Includes allocation for costs of collection and early payment discount

Series 2019A Area Two Assessment Apportionment - Parcel E

Unit Type	Total Units	Total Series 2019A Area Two Assessment	Series 2019A Area Two Assessment per Unit	Total Annual Debt Service Series 2019A Area Two Assessment Payment*	Annual Debt Service Series 2019A Area Two Assessment Payment per Unit*
SF 60'	68	\$1,280,551.48	\$18,831.64	\$95,291.08	\$1,401.34
SF 75'	34	\$823,211.67	\$24,212.11	\$61,258.55	\$1,801.72
Total	102	\$2,103,763.15		\$156,549.63	

* Includes allocation for costs of collection and early payment discount

Series 2019A Area Two Assessment Apportionment - Parcel F

Unit Type	Total Units	Total Series 2019A Area Two Assessment	Series 2019A Area Two Assessment per Unit	Total Annual Debt Service Series 2019A Area Two Assessment Payment*	Annual Debt Service Series 2019A Area Two Assessment Payment per Unit*
Estate	14	\$376,632.79	\$26,902.34	\$28,026.79	\$2,001.91
Total	14	\$376,632.79		\$28,026.79	

* Includes allocation for costs of collection and early payment discount

Table 7

Hunter's Ridge Community Development District No. 1

Series 2019B Area Two Assessment Apportionment - Parcel D

Unit Type	Total Units	Total Series 2019B Area Two Assessment	Series 2019B Area Two Assessment per Unit	Total Series 2019B Area Two Assessment Annual Interest Payment	Series 2019B Area Two Assessment Annual Interest Payment per Unit
Villa 35'	101	\$505,000.00	\$5,000.00	\$37,991.17	\$376.15
Total	101	\$505,000.00		\$37,991.17	

* Includes allocation for costs of collection and early payment discount

Series 2019B Area Two Assessment Apportionment - Parcel E

Unit Type	Total Units	Total Series 2019B Area Two Assessment	Series 2019B Area Two Assessment per Unit	Total Series 2019B Area Two Assessment Annual Interest Payment	Series 2019B Area Two Assessment Annual Interest Payment per Unit
SF 60'	68	\$816,000.00	\$12,000.00	\$61,387.71	\$902.76
SF 75'	34	\$442,000.00	\$13,000.00	\$33,251.68	\$977.99
Total	102	\$1,258,000.00		\$94,639.39	

* Includes allocation for costs of collection and early payment discount

Series 2019B Area Two Assessment Apportionment - Parcel F

Unit Type	Total Units	Total Series 2019B Area Two Assessment	Series 2019B Area Two Assessment per Unit	Total Series 2019B Area Two Assessment Annual Interest Payment	Series 2019B Area Two Assessment Annual Interest Payment per Unit
Estate	14	\$210,000.00	\$15,000.00	\$15,798.31	\$1,128.45
Total	14	\$210,000.00		\$15,798.31	

* Includes allocation for costs of collection and early payment discount

Exhibit "A"

Parcel Number	Owner	Address	Unit	Assessment
22-14-31-0252-00000-0010	GALLERY HOMES OF DELAND INC	200 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$19,487.70
22-14-31-0252-00000-0020	GALLERY HOMES OF DELAND INC	200 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$19,487.70
22-14-31-0252-00000-0030	EACOBACCI MITCHELL J & ANGELA EACOBACCI H&W	9 HUNTINGTON PLACE ORMOND BEACH, FL 3217	SF 60'	\$19,487.70
22-14-31-0252-00000-0040	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00000-0050	DALY NINA P	45 FOREST VIEW WAY ORMOND BEACH, FL 3217	SF 60'	\$19,487.70
22-14-31-0252-00000-0060	HODAK JAMES LEE SR & CAROL LYNN HODAK H&W	15 HUNTINGTON PLACE ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00000-0070	DOCKERY JOHN J & KATHERINE D H&W	17 HUNTINGTON PLACE ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00000-0080	ELDRIDGE THOMAS D & MARGARET L H&W	19 HUNTINGTON PLACE ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00000-0090	GALLERY HOMES OF DELAND INC	200 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$19,487.70
22-14-31-0252-00000-0100	HOLIDAY BUILDERS INC	2293 WEST EAU GALLIE BLVD MELBOURNE, FL 3293	SF 60'	\$19,487.70
22-14-31-0252-00000-0110	HOLIDAY BUILDERS INC	2293 WEST EAU GALLIE BLVD MELBOURNE, FL 3293	SF 60'	\$19,487.70
22-14-31-0252-00000-0120	LUBIN HADLEY J & KAREN S H&W	11610 NW 42ND STREET SUNRISE, FL 33323	SF 60'	\$19,487.70
22-14-31-0252-00000-0130	HOLIDAY BUILDERS INC	2293 WEST EAU GALLIE BLVD MELBOURNE, FL 3293	SF 60'	\$19,487.70
22-14-31-0252-00000-0140	HOLIDAY BUILDERS INC	2293 WEST EAU GALLIE BLVD MELBOURNE, FL 3293	SF 60'	\$19,487.70
22-14-31-0252-00000-0150	HOLIDAY BUILDERS INC	2293 WEST EAU GALLIE BLVD MELBOURNE, FL 3293	SF 60'	\$19,487.70
22-14-31-0252-00000-0160	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00000-0170	GALLERY HOMES OF DELAND INC	204 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$19,487.70
22-14-31-0252-00000-0180	GALLERY HOMES OF DELAND INC	203 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$19,487.70
22-14-31-0252-00000-0190	GALLERY HOMES OF DELAND INC	202 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$19,487.70
22-14-31-0252-00000-0200	GALLERY HOMES OF DELAND INC	201 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$19,487.70
22-14-31-0252-00000-0210	EPTON PEGGY A LIFE ESTATE	13 SHEER WATER TRAIL ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00000-0220	MANCINI VINCENT D & BEVERLY J H&W	15 SHEAR WATER TRAIL ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00000-0230	EDENFIELD SUSAN BRUDER	17 SHEAR WATER TRAIL ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00000-0240	HEIDORN ROBERT M & DENISE H&W	21 SHEAR WATER TRAIL ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00000-0250	GALLERY HOMES OF DELAND INC	200 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$19,487.70
22-14-31-0252-00000-0260	GREER LAWRENCE HOLMES & SUSAN CHERYL GREER H&W	25 SHEAR WATER TRAIL ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00000-0270	GALLERY HOMES OF DELAND INC	200 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$19,487.70
22-14-31-0252-00000-0280	GALLERY HOMES OF DELAND INC	200 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$19,487.70
22-14-31-0252-00000-0290	GALLERY HOMES OF DELAND INC	200 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$19,487.70
22-14-31-0252-00000-0300	GALLERY HOMES OF DELAND INC	200 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$19,487.70
22-14-31-0252-00000-0310	GALLERY HOMES OF DELAND INC	200 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$19,487.70
22-14-31-0252-00000-0320	BISLAND JOHN & CYNTHIA L H&W	26 SHEAR WATER TRAIL ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00000-0330	GALLERY HOMES OF DELAND INC	200 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$19,487.70
22-14-31-0252-00000-0340	BROWN DEBORAH J	22 SHEAR WATER TRAIL ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00000-0350	GALLERY HOMES OF DELAND INC	200 S SPRING GARDEN AVE DELAND, FL 32720	SF 60'	\$19,487.70
22-14-31-0252-00000-0360	OWNER		SF 60'	\$19,487.70
22-14-31-0252-00000-0370	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00000-0380	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00000-0390	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00000-0400	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00000-0410	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00000-0420	HOLIDAY BUILDERS INC	2293 WEST EAU GALLIE BLVD MELBOURNE, FL 3293	SF 60'	\$19,487.70
22-14-31-0252-00000-0430	CAVITT PHILIP L & JENNIFER M IRVING JTWROS	20 HUNTINGTON PLACE ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00000-0440	SCHAEFFER JERRY WENDALL & PATRICIA DIANE H&W	18 HUNTINGTON PLACE ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00000-0450	GEORGIA CAROLINE TUCKER	16 HUNTINGTON PLACE ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00000-0460	HUNT DONALD J & JEAN H&W	14 HUNTINGTON PLACE ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00000-0470	HOLIDAY BUILDERS INC	2293 WEST EAU GALLIE BLVD MELBOURNE, FL 3293	SF 60'	\$19,487.70
22-14-31-0252-00000-0480	KHAN KHALID	10 HUNTINGTON PLACE ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00000-0490	HOLIDAY BUILDERS INC	2293 WEST EAU GALLIE BLVD MELBOURNE, FL 3293	SF 60'	\$19,487.70
22-14-31-0252-00000-0500	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00020-0510	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00020-0520	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00020-0530	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00020-0540	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00020-0550	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00020-0560	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00020-0570	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00020-0580	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00020-0590	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00020-0600	HOLIDAY BUILDERS INC	2293 WEST EAU GALLIE BLVD MELBOURNE, FL 32935	SF 60'	\$19,487.70
22-14-31-0252-00020-0610	HOLIDAY BUILDERS INC	2293 WEST EAU GALLIE BLVD MELBOURNE, FL 32935	SF 60'	\$19,487.70
22-14-31-0252-00020-0620	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00020-0630	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00020-0640	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00020-0650	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00020-0660	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00020-0670	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00020-0680	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00020-0690	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0252-00020-0700	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	SF 60'	\$19,487.70
22-14-31-0253-00000-0630	CERINO THOMAS E & BEVERLY R H&W	34 HERON WING DRIVE ORMOND BEACH, FL 32174	Villa 35'	\$13,223.80
22-14-31-0253-00000-0640	JANOVER HOWARD M & MAUREEN H&W	36 HERON WING DRIVE ORMOND BEACH, FL 32174	Villa 35'	\$13,223.80
22-14-31-0253-00000-0650	SICOTAKIS LINDA G & MICHELLE PELLETIER JTWROS	38 HERON WIND DRIVE ORMOND BEACH, FL 32174	Villa 35'	\$13,223.80
22-14-31-0253-00000-0660	GARRISON PRESTON J & SUSAN B GARRISON H&W	40 HERON WING DRIVE ORMOND BEACH, FL 32174	Villa 35'	\$13,223.80
22-14-31-0253-00000-0670	KELLY MARY C	42 HERON WING DRIVE ORMOND BEACH, FL 32174	Villa 35'	\$13,223.80
22-14-31-0253-00000-0680	GUILD HARRISON K & MARYKE Y H&W	44 HERON WING DRIVE ORMOND BEACH, FL 32174	Villa 35'	\$13,223.80

Exhibit "A"

Parcel Number	Owner	Address	Unit	Assessment
22-14-31-0253-00000-0690	COWERN BARBARA CONLEY	46 HERON WING DRIVE ORMOND BEACH, FL 32174	Villa 35'	\$13,223.80
22-14-31-0253-00000-0700	BURKETT SUSAN IRENE & JUDITH ANN SWAYZE JTWROS	29 HERON WING DR ORMOND BEACH, FL 3217	Villa 35'	\$13,223.80
22-14-31-0253-00000-0710	ALDERMAN NANCY	27 HERON WING DRIVE ORMOND BEACH, FL 32174	Villa 35'	\$13,223.80
22-14-31-0253-00000-0720	BURRES ROYAL S & JERILYN L H&W	25 HERON WING DRIVE ORMOND BEACH, FL 32174	Villa 35'	\$13,223.80
22-14-31-0253-00000-0730	BLAKE CAROL & LILLIAN R BRUSH JTWROS	23 HERON WING DRIVE ORMOND BEACH, FL 32174	Villa 35'	\$13,223.80
22-14-31-0253-00000-0740	KAPROLET CHARLES MICHAEL & SANDRA KAY BALES JTWROS	3203 CONNEMARA DR ORMOND BEACH, FL 32174	Villa 35'	\$13,223.80
22-14-31-0256-00000-1180	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$13,223.80
22-14-31-0256-00000-1190	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$13,223.80
22-14-31-0256-00000-1200	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$13,223.80
22-14-31-0256-00000-1210	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$13,223.80
22-14-31-0256-00000-1220	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$13,223.80
22-14-31-0256-00000-1230	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$13,223.80
22-14-31-0256-00000-1240	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$13,223.80
22-14-31-0256-00000-1250	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$13,223.80
22-14-31-0256-00000-1260	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$13,223.80
22-14-31-0256-00000-1270	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$13,223.80
22-14-31-0256-00000-1280	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$13,223.80
22-14-31-0256-00000-1290	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$13,223.80
22-14-31-0256-00000-1300	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$13,223.80
22-14-31-0256-00000-1310	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$13,223.80
22-14-31-0256-00000-1320	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$13,223.80
22-14-31-0256-00000-1330	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$13,223.80
22-14-31-0256-00000-1340	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$13,223.80
22-14-31-0256-00000-1350	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$13,223.80
22-14-31-0256-00000-1360	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$13,223.80
22-14-31-0256-00000-1370	D & S INVESTMENT CAPITAL, LLC	2878 S OSCEOLA AVENUE ORLANDO, FL 32806	Villa 35'	\$13,223.80
22-14-31-0256-00000-1380	MOSCOSO JILL & KYLE ANDREW MOSCOSO JTWROS	10 HAWK ROOST COURT ORMOND BEACH, FL 32174	Villa 35'	\$13,223.80
22-14-31-0256-00000-1390	MANZA LOUIS M & KATHLEEN H&W	12 HAWK ROOST COURT ORMOND BEACH, FL 32174	Villa 35'	\$13,223.80
22-14-31-0256-00000-1400	GRANADA HOMES LLC	620 N DENNING DRIVE, STE 100 WINTER PARK, FL 32789	Villa 35'	\$13,223.80
22-14-31-0256-00000-1410	GRANADA HOMES LLC	620 N DENNING DRIVE, STE 100 WINTER PARK, FL 32789	Villa 35'	\$13,223.80
22-14-31-0256-00000-1420	GRANADA HOMES LLC	620 N DENNING DRIVE, STE 100 WINTER PARK, FL 32789	Villa 35'	\$13,223.80
22-14-31-0256-00000-1430	GRANADA HOMES LLC	620 N DENNING DRIVE, STE 100 WINTER PARK, FL 32789	Villa 35'	\$13,223.80
22-14-31-0256-00000-1440	GRANADA HOMES LLC	620 N DENNING DRIVE, STE 100 WINTER PARK, FL 32789	Villa 35'	\$13,223.80
22-14-31-0256-00000-1450	GRANADA HOMES LLC	620 N DENNING DRIVE, STE 100 WINTER PARK, FL 32789	Villa 35'	\$13,223.80
22-14-31-0256-00000-1460	GRANADA HOMES LLC	620 N DENNING DRIVE, STE 100 WINTER PARK, FL 32789	Villa 35'	\$13,223.80
22-14-31-0256-00000-1470	GRANADA HOMES LLC	620 N DENNING DRIVE, STE 100 WINTER PARK, FL 32789	Villa 35'	\$13,223.80
22-14-31-0256-00000-1480	MURPHY THOMAS J & MAUREEN H&W	15 HAWK ROOST COURT ORMOND BEACH, FL 32174	Villa 35'	\$13,223.80
22-14-31-0256-00000-1490	GRANADA HOMES LLC	620 N DENNING DRIVE, STE 100 WINTER PARK, FL 32789	Villa 35'	\$13,223.80
22-14-31-0256-00000-1500	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	Villa 35'	\$13,223.80
22-14-31-0256-00000-1510	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	Villa 35'	\$13,223.80
22-14-31-0256-00000-1520	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	Villa 35'	\$13,223.80
22-14-31-0256-00000-1530	SYKES JAMES E JR & MAJORIE J H&W	5 HAWK ROOST CT ORMOND BEACH, FL 32174	Villa 35'	\$13,223.80
22-14-31-0256-00000-1540	SHEPARD ALLEN L & MARY E H&W	60 WINOOSKI FALLS WAY WINOOSKI, VT 05404	Villa 35'	\$13,223.80
22-14-31-0253-00000-0R10	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	Acres	\$52,895.18
21-14-31-0000-01010-0010	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	Acres	\$499,791.93
22-14-31-0000-01010-0030	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	Acres	\$2,544,361.19
22-14-31-0000-01010-0040	BADC HUNTINGTON COMMUNITIES, LLC	6 HUNTINGTON PLACE, ORMOND BEACH, FL 32174	Acres	\$2,059,578.02
22-14-31-0000-01010-0100	ROYAL LIONS GATE LLC	12 TWELVE OAKS TRAIL, ORMOND BEACH, FL 32174	Acres	\$674,268.85
Total				\$7,843,000.00

HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1

9

RESOLUTION 2019-03

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1 DECLARING SPECIAL ASSESSMENTS; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THOSE IMPROVEMENTS WHOSE COST IS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED COST OF THE IMPROVEMENTS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE PAID; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; ADOPTING A PRELIMINARY ASSESSMENT ROLL; PROVIDING FOR PUBLICATION OF THIS RESOLUTION

WHEREAS, the Hunter's Ridge Community Development District No. 1 ("District") is a local unit of special-purpose government established pursuant to the Uniform Community Development District Act of 1980, as codified in Chapter 190, Florida Statutes ("Uniform Act"), by the Board of County Commissioners, Flagler County, Florida in Ordinance No. 2014-01; and

WHEREAS, the Board of Supervisors of the District ("Board") hereby determines to undertake, install, plan, establish, construct or reconstruct, enlarge or extend, equip, acquire, operate, and/or maintain the public improvements and related interests in land described in the District Engineer's Report, prepared by Zev Cohen & Associates, Inc., revised November 28, 2018 ("Improvements"), a copy of which is attached hereto as **Exhibit A** and incorporated herein by reference the "Engineer's Report"); and

WHEREAS, it is in the best interests of the District to pay the cost of the Improvements through the levy of special assessments pursuant to Chapters 170, 190 and 197, Florida Statutes ("Assessments"); and

WHEREAS, the District is empowered by Chapters 170, 190 and 197, Florida Statutes, to finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate, and maintain the Improvements and to impose, levy and collect the Assessments; and

WHEREAS, the District hereby determines that benefits will accrue to the property improved, the amount of those benefits, and that special assessments will be made in proportion to the benefits received as set forth in the District's Preliminary Master Special Assessment Methodology Report, prepared by Wrathell, Hunt and Associates, LLC, dated December 5, 2018, attached hereto as **Exhibit B** incorporated herein by reference (the "Assessment Methodology Report"), and on file at the offices of the District Manager, Wrathell, Hunt and Associates, LLC, 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431 (the "District Manager's Office"); and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1:

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

Section 2. Assessments shall be levied to defray the Estimated Total Cost (hereinafter defined) of the Improvements. The nature of the Improvements generally consists of roadways, earthwork and surface water management system, water distribution system, sanitary collection and transmission system, required perimeter landscape buffers, and off-site roadway improvements, all as described more particularly in the Engineer's Report and in the plans and specifications on file in the District Manager's Office.

Section 3. The general locations of the Improvements are on a tract of land located in unincorporated Flagler County in the State of Florida. The land within the District is generally located west of Interstate 95, north of State Road 40 and is bounded on the north by Airport Road, as shown on the plans and specifications referred to above.

Section 4. The total estimated cost of the Improvements is \$ _____ (hereinafter, referred to as the "Estimated Cost").

Section 5. The Assessments will defray approximately \$ _____, which includes the Estimated Cost, plus estimated financing-related costs, including capitalized interest, debt service reserve and contingency related to bonds and bond anticipation notes (collectively, "Bonds"), which may be issued by the District to finance the Improvements (The "Estimated Total Cost").

Section 6. The manner in which the Assessments shall be apportioned and paid is set forth in the Assessment Methodology Report.

Section 7. The Assessments shall be levied within the District on all lots and lands adjoining and contiguous or bounding and abutting upon such Improvements or specially benefited thereby and further designated by the assessment plat hereinafter provided for.

Section 8. There is on file at the District Manager's Office an assessment plat showing the area to be assessed, the plans and specifications describing the Improvements and the Estimated Cost of the Improvements, all of which shall be open to inspection by the public.

Section 9. Commencing with the year in which the Assessments are certified for collection and subsequent to the capitalized interest period for each series of Bonds, the Assessments shall be paid in not more than thirty (30) annual installments or the maximum period of time permitted by law then in effect. The Assessments may be payable at the same time and in the same manner as are ad valorem taxes and collected pursuant to Chapter 197, Florida Statutes; provided, however, that in the event the uniform non-ad valorem assessment method of collecting the Assessments is not available to the District in any year, or if determined by the Board to be in the best interest of the District; the Assessments may be collected as is otherwise permitted by law.

Section 10. The District Manager has caused to be made a preliminary assessment roll, in accordance with the Assessment Methodology Report, which shows the lots and lands

assessed, the amount of benefit to and the Assessment against each lot or parcel of land and the number of annual installments into which the Assessments may be divided, which is hereby adopted and approved as the District's preliminary assessment roll.

Section 11. The Board shall adopt a subsequent resolution to fix a time and place at which the owners of property to be assessed or any other persons interested therein may appear before the Board and be heard as to the propriety and advisability of the Assessments or the making of the Improvements, the cost thereof, the manner of payment therefor, or the amount thereof to be assessed against each property as improved.

Section 12. The District Manager is hereby directed to cause this Resolution to be published twice in a newspaper of general circulation [**170.05, Florida Statutes**] within Flagler County, Florida, and to provide such other notice as may be required by law or desired in the best interests of the District.

Section 13. This Resolution shall become effective immediately upon its passage.

[The remainder of this page has intentionally been left blank.]

PASSED AND ADOPTED this ____ day of _____, 2018.

Attest:

**HUNTER'S RIDGE COMMUNITY
DEVELOPMENT DISTRICT NO. 1**

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

Exhibit A: Engineer's Report (dated November 28, 2018)

Exhibit B: Preliminary Master Special Assessment Methodology Report (December 5, 2018)

Exhibit A

Exhibit B

HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1

10

RESOLUTION 2019-04

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1 SETTING A PUBLIC HEARING TO BE HELD ON _____ , 20__ AT __:__ A/P.M., IN THE BOARD ROOM AT THE FLAGLER COUNTY CHAMBER OF COMMERCE LOCATED AT 21 HERON WING DRIVE, ORMOND BEACH, FLORIDA 32174, FOR THE PURPOSE OF HEARING PUBLIC COMMENT ON IMPOSING A SPECIAL ASSESSMENT ON CERTAIN PROPERTY WITHIN THE DISTRICT GENERALLY DESCRIBED AS THE HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1 IN ACCORDANCE WITH CHAPTERS 170, 190 AND 197, FLORIDA STATUTES.

WHEREAS, the Board of Supervisors of the Hunter's Ridge Community Development District No. 1 ("Board") has previously adopted Resolution **2019-03** entitled

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1 DECLARING SPECIAL ASSESSMENTS; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THOSE IMPROVEMENTS WHOSE COST IS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED COST OF THE IMPROVEMENTS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE MADE; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; ADOPTING A PRELIMINARY ASSESSMENT ROLL; PROVIDING FOR PUBLICATION OF THIS RESOLUTION.

WHEREAS, in accordance with Resolution **2019-03**, a preliminary assessment roll has been prepared and all other conditions precedent set forth in Chapters 170, 190 and 197, Florida Statutes, to the holding of the aforementioned public hearing have been satisfied, and the roll and related documents are available for public inspection at the offices of the District Manager, Wrathell, Hunt and Associates, LLC, 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431 (the "District Manager's Office").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1:

SECTION 1. There is hereby declared a public hearing to be held at __:__ a/p.m., on _____, 20__, in the Board Room at the Flagler County Chamber of Commerce located at 20 Airport Road, Palm Coast, Florida 32164, for the purpose of hearing comment and objections to the proposed special assessment

program for assessable improvements as identified in the preliminary assessment roll, a copy of which is on file at the District Manager's Office. Affected parties may appear at that hearing or submit their comments in writing prior to the meeting to the District Manager's Office.

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

SECTION 3. This Resolution shall become effective immediately upon its passage.

[The remainder of this page has intentionally been left blank.]

PASSED AND ADOPTED this ____ day of _____, 2018.

Attest:

**HUNTER'S RIDGE COMMUNITY
DEVELOPMENT DISTRICT NO. 1**

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1

11

RESOLUTION 2019-05

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1 EXPRESSING THE INTENT OF THE DISTRICT TO USE THE UNIFORM METHOD OF LEVY, COLLECTION AND ENFORCEMENT OF NON-AD VALOREM ASSESSMENTS AS AUTHORIZED AND PERMITTED BY SECTION 197.3632, FLORIDA STATUTES; EXPRESSING THE NEED FOR THE LEVY OF NON-AD VALOREM ASSESSMENTS AND SETTING FORTH THE LEGAL DESCRIPTION OF THE REAL PROPERTY WITHIN THE DISTRICT'S JURISDICTIONAL BOUNDARIES THAT MAY OR SHALL BE SUBJECT TO THE LEVY OF DISTRICT NON-AD VALOREM ASSESSMENTS

WHEREAS, Chapter 197, Florida Statutes, provides for the usage by the Hunter's Ridge Community Development District No. 1 of a uniform method of levying, collecting and enforcing its non-ad valorem assessments; and

WHEREAS, Chapter 197, Florida Statutes, sets forth certain requirements which must be met by Hunter's Ridge Community Development District No. 1 in order to use said uniform method of levying, collecting and enforcing its non-ad valorem assessments; and

WHEREAS, in accordance with Section 197.3632, Florida Statutes, Hunter's Ridge Community Development District No. 1 will cause to be published in a newspaper of general circulation within the county within which the District is located, weekly for four (4) consecutive weeks prior to the date of the public hearing, a notice of the District's intent to hold a public hearing on _____ at ____:____ a/p.m., at 21 Heron Wing Drive, Ormond Beach, Florida 32174, for the purpose of advising the public of the District's intention to adopt and use the Chapter 197, Florida Statutes, uniform method of levying, collecting and enforcing non-ad valorem assessments; and

WHEREAS, the Board of Supervisors of the Hunter's Ridge Community Development District No. 1 has determined that it is in the best interest of the District for the District to elect to use the uniform method of levying, collecting and enforcing non-ad valorem assessments as provided in Section 197.3632, Florida Statutes.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1:

1. That the uniform method of levying, collecting and enforcing non-ad valorem assessments as authorized by Section 197.3632, Florida Statutes, is hereby adopted for usage by the Hunter's Ridge Community Development District No. 1.

2. That non-ad valorem assessments will in the future be required to be assessed and levied by the Hunter's Ridge Community Development District No. 1 in order to provide necessary funds for one or more of the following reasons:

- (a) Satisfying the lawful debt obligations of the District, and/or
- (b) Financing, constructing, maintaining and servicing the Improvements of the District, and/or
- (c) Such other lawful purposes, which the District is empowered to provide as authorized by law.

3. That the uniform method of levying, collecting and enforcing non-ad valorem assessments now and in the future, if so required, shall, to the extent authorized by law, apply to all lands located within the jurisdictional boundaries of the Hunter's Ridge Community Development District No. 1, as said jurisdictional boundaries are described in attached Exhibit "A" which is incorporated herein and made a part hereof.

4. That a certified copy of this Resolution, together with Exhibit "A" attached thereto, shall be promptly forwarded to the Flagler County Property Appraiser, Flagler County Tax Collector, and the Florida Department of Revenue.

5. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this ____ day of _____, 2018.

Attest:

**HUNTER'S RIDGE COMMUNITY
DEVELOPMENT DISTRICT NO. 1**

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

Exhibit "A"

HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1

12

RESOLUTION 2019-06

A RESOLUTION OF THE BOARD OF SUPERVISORS OF HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1 AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$8,085,000 AGGREGATE PRINCIPAL AMOUNT OF ITS HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1 SPECIAL ASSESSMENT BONDS IN ONE OR MORE SERIES (THE "SERIES 2019 BONDS"); DETERMINING CERTAIN DETAILS OF THE SERIES 2019 BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER TRUST INDENTURE, A FIRST SUPPLEMENTAL TRUST INDENTURE, A SECOND SUPPLEMENTAL TRUST INDENTURE AND A THIRD SUPPLEMENTAL TRUST INDENTURE; AUTHORIZING THE NEGOTIATED SALE OF THE SERIES 2019 BONDS; APPOINTING THE UNDERWRITER; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTRACT OF PURCHASE WITH RESPECT TO THE SERIES 2019 BONDS AND AWARDING THE SERIES 2019 BONDS TO THE UNDERWRITER NAMED THEREIN PURSUANT TO THE PARAMETERS SET FORTH IN THIS RESOLUTION; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND ITS USE BY THE UNDERWRITER IN CONNECTION WITH THE OFFERING FOR SALE OF THE SERIES 2019 BONDS AND APPROVING THE EXECUTION AND DELIVERY OF A FINAL LIMITED OFFERING MEMORANDUM; AUTHORIZING THE EXECUTION AND DELIVERY OF CONTINUING DISCLOSURE AGREEMENTS AND THE APPOINTMENT OF A DISSEMINATION AGENT; PROVIDING FOR THE APPLICATION OF SERIES 2019 BOND PROCEEDS; AUTHORIZING THE PROPER OFFICIALS TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE SERIES 2019 BONDS; MAKING CERTAIN DECLARATIONS; APPOINTING A TRUSTEE; PROVIDING FOR THE REGISTRATION OF THE BONDS PURSUANT TO THE DTC BOOK-ENTRY SYSTEM; PROVIDING AN EFFECTIVE DATE AND FOR OTHER PURPOSES.

WHEREAS, Hunter's Ridge Community Development District No. 1 (the "District") is a local unit of special-purpose government organized and existing in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), created by Ordinance No. 2014-01 enacted by the Board of County Commissioners of Flagler County, Florida (the "County") on April 21, 2014; and

WHEREAS, the District was created for the purpose of delivering certain community development services and facilities within and outside its jurisdiction, and the District has decided to undertake the design, acquisition and/or construction of certain improvements pursuant to the Act (the "Capital Improvement Program"); and

WHEREAS, the District duly adopted Resolution No. 2014-18 on July 18, 2014 (the "Initial Resolution"), authorizing, among other things, the issuance in one or more series of not to exceed \$8,085,000 aggregate principal amount of its Special Assessment Bonds; and

WHEREAS, the District has determined to issue its Hunter's Ridge Community Development District No. 1 Special Assessment Bonds, Series 2019 (Assessment Area One) (the "Series 2019 Area One Bonds"), its Hunter's Ridge Community Development District No. 1 Special Assessment Bonds, Series 2019A (Assessment Area Two) (the "Series 2019A Area Two Bonds") and its Hunter's Ridge Community Development District No. 1 Special Assessment Bonds, Series 2019B (Assessment Area Two) (the "Series 2019B Area Two Bonds"), for the purpose, among other things, of providing funds for the payment of the costs of a portion of the District's Capital Improvement Program; and

WHEREAS, there has been submitted to this meeting with respect to the issuance and sale of the Series 2019 Area One Bonds, the Series 2019A Area Two Bonds and the Series 2019B Area Two Bonds (collectively, the "Series 2019 Bonds") and submitted to the Board:

(i) a form of the Master Trust Indenture (the "Master Trust Indenture"), a form of First Supplemental Trust Indenture ("First Supplement") related to the issuance of the Series 2019 Area One Bonds, a form of Second Supplemental Trust Indenture ("Second Supplement") related to the issuance of the Series 2019A Area Two Bonds, and a form of Third Supplemental Trust Indenture ("Third Supplement") related to the issuance of the Series 2019B Area Two Bonds, each between U.S. Bank National Association, as Trustee (the "Trustee"), and the District attached hereto as **Exhibit A**, **Exhibit B**, **Exhibit C**, and **Exhibit D**, respectively;

(ii) a form of Bond Purchase Contract with respect to the Series 2019 Bonds between FMSbonds, Inc. and the District attached hereto as **Exhibit E** (the "Contract of Purchase"), together with the form of disclosure statements attached to the Contract of Purchase in accordance with Section 218.385, Florida Statutes;

(iii) the form of Preliminary Limited Offering Memorandum attached hereto as **Exhibit F** (the "Preliminary Limited Offering Memorandum"); and

(iv) a form of Continuing Disclosure Agreement (the "Huntington Continuing Disclosure Agreement"), among the District, BADC Huntington Communities, LLC, and Wrathell, Hunt & Associates, LLC, as dissemination agent (the "Dissemination Agent"), and a form of Continuing Disclosure Agreement (the "Deerfield Continuing Disclosure Agreement" and together with the Huntington Continuing Disclosure Agreement, the "Continuing Disclosure Agreements"), among the District, the developer of the Deerfield Estates portion of the District as described in the Engineer's report, and the Dissemination Agent, each attached hereto as **Exhibit G** and **Exhibit H**, respectively.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Hunter's Ridge Community Development District No. 1, as follows:

Section 1. Authorization, Designation and Principal Amount of the Series 2019 Bonds. There are hereby authorized and directed to be issued the Series 2019 Area One Bonds, in the aggregate principal amount of not to exceed \$4,000,000, for the purposes, among others, of providing funds for the payment of all or a portion of the costs of certain capital improvements or improvements undertaken in Assessment Area One, as described in the Engineer's Report for Hunter's Ridge Community Development District No. 1, dated May 2014 and revised November 28, 2018 (the "Engineer's Report") (the "Series 2019 Area One Project"). The purchase price of the Series 2019 Area One Bonds shall be received and receipted by the District, or the Trustee on behalf of the District, and the Trustee shall apply the proceeds of the Series 2019 Area One Bonds as set forth in the Master Trust Indenture between the District and the Trustee, as supplemented by the First Supplement (collectively, the "Series 2019 Area One Indenture") and the Limited Offering Memorandum (as hereinafter defined).

There are hereby authorized and directed to be issued the Series 2019A Area Two Bonds, in the aggregate principal amount of not to exceed \$4,000,000, for the purposes, among others, of providing funds for the payment of all or a portion of the costs of certain capital improvements or improvements undertaken in Assessment Area Two as described in the Engineer's Report (the "Series 2019 Area Two Project"). The purchase price of the Series 2019A Area Two Bonds shall be received and receipted by the District, or the Trustee on behalf of the District, and the Trustee shall apply the proceeds of the Series 2019A Area Two Bonds as set forth in the Master Trust Indenture between the District and the Trustee, as supplemented by the Second Supplement (collectively, the "Series 2019A Area Two Indenture") and the Limited Offering Memorandum.

There are hereby authorized and directed to be issued the Series 2019B Area Two Bonds, in the aggregate principal amount of not to exceed \$2,000,000, for the purposes, among others, of providing funds for the payment of all or a portion of the costs of the Series 2019 Area Two Project. The purchase price of the Series 2019B Area Two Bonds shall be received and receipted by the District, or the Trustee on behalf of the District, and the Trustee shall apply the proceeds of the Series 2019B Area Two Bonds as set forth in the Master Trust Indenture between the District and the Trustee, as supplemented by the Third Supplement (collectively, the "Series 2019B Area Two Indenture") and the Limited Offering Memorandum.

Notwithstanding the above, the total aggregate par amount of the Series 2019 Bonds that may be issued is limited to \$8,085,000. Individual par amounts of the above described Series 2019 Bonds may change.

Section 2. Designation of Attesting Members. The Chair or the Secretary of the Board of Supervisors (the "Board") of the District, or in the case of the absence of either or the inability to act of either, the Vice Chair or Assistant Secretaries and members of the Board (each individually a "Designated Member"), are hereby designated and authorized on behalf of the Board to attest to the seal of the Board and to the signature of the Chair or Vice Chair of the Board as they appear on the Series 2019 Bonds, the Indenture and any other documents which may be necessary or helpful in connection with the issuance and delivery of the Series 2019 Bonds and in connection with the application of the proceeds thereof.

Section 3. Details of the Series 2019 Area One Bonds. The District hereby determines that the Series 2019 Area One Bonds shall be dated, have such interest payment dates, have such maturities, have such redemption provisions and bear interest at such rates, all as provided in the Series 2019 Area One Indenture.

Section 4. Details of the Series 2019A Area Two Bonds. The District hereby determines that the Series 2019A Area Two Bonds shall be dated, have such interest payment dates, have such maturities, have such redemption provisions and bear interest at such rates, all as provided in the Series 2019A Area Two Indenture.

Section 5. Details of the Series 2019B Area Two Bonds. The District hereby determines that the Series 2019B Area Two Bonds shall be dated, have such interest payment dates, have such maturities, have such redemption provisions and bear interest at such rates, all as provided in the Series 2019B Area Two Indenture.

Section 6. Trust Indenture. The District hereby approves and authorizes the execution by the Chair or any Designated Member and the Secretary and the delivery of the Master Trust Indenture, the First Supplement, the Second Supplement and the Third Supplement in substantially the forms thereof attached hereto as **Exhibit A, Exhibit B, Exhibit C, and Exhibit D**, respectively, with such changes therein as shall be approved by the Chair or Designated Member executing the same, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the form of Master Trust Indenture, the form of First Supplement, the form of Second Supplement and the form of Third Supplement, each attached hereto.

Section 7. Appointment of Underwriter; Negotiated Sale. FMSbonds, Inc. is hereby appointed the underwriter of the Series 2019 Bonds (the "Underwriter"). The Series 2019 Bonds shall be sold by a negotiated sale to the Underwriter. It is hereby determined by the District that a negotiated sale of the Series 2019 Bonds to the Underwriter will best effectuate the purposes of the Act, is in the best interest of the District and is necessitated by, in general, the characteristics of the issue and prevailing market conditions and specifically, the following

additional reasons: (i) because of the complexity of the financing structure of the Series 2019 Bonds and the institutional market for unrated securities such as the Series 2019 Bonds, it is desirable to sell the Series 2019 Bonds pursuant to a negotiated sale so as to have an underwriter involved from the outset of the financing to assist in these matters; (ii) because of changing market conditions for tax-exempt bonds and the necessity of being able to adjust the terms of the Series 2019 Bonds, it is in the best interests of the District to sell the Series 2019 Bonds by a negotiated sale; (iii) the Underwriter has participated in structuring the issuance of the Series 2019 Bonds and can assist the District in attempting to obtain the most attractive financing for the District; and (iv) the District will not be adversely affected if the Series 2019 Bonds are not sold pursuant to a competitive sale.

Section 8. Contract of Purchase.

(i) The District hereby approves the form of the Contract of Purchase submitted by the Underwriter and attached as **Exhibit E** hereto, and the sale of the Series 2019 Bonds by the District upon the terms and conditions to be set forth in the Contract of Purchase and in compliance with (ii), (iii) and (iv) below. Provided the provisions of subparagraph (ii), (iii) and (iv) have been complied with, the Chair or a Designated Member are each hereby authorized, acting individually, to execute the Contract of Purchase and to deliver the Contract of Purchase to the Underwriter. The Contract of Purchase shall be in substantially the form of the Contract of Purchase attached hereto as **Exhibit E** with such changes, amendments, modifications, omissions and additions as may be approved by the Chair or the Designated Member. The disclosure statements of the Underwriter as required by Section 218.385 of the Florida Statutes, to be delivered to the District prior to the execution of the Contract of Purchase, a copy of which is attached as an exhibit to the Contract of Purchase, will be entered into the official records of the District. Execution by the Chair or a Designated Member of the Contract of Purchase shall be deemed to be conclusive evidence of approval of such changes;

(ii) Receipt by the Chair of a written offer to purchase the Series 2019 Area One Bonds by the Underwriter substantially in the form of the Contract of Purchase, said offer to provide for, among other things, (A) the issuance of not exceeding \$4,000,000 initial aggregate principal amount of Series 2019 Area One Bonds at an interest rate of not to exceed the rate computed by adding 300 basis points to the Bond Buyer "20 Bond Index" published immediately preceding the first day of the calendar month in which the Series 2019 Bonds are sold, (B) a price of not less than 97.5%, excluding underwriter's discount of the par amount of the Series 2019 Area One Bonds, and (C) the final maturity of the Series 2019 Area One Bonds shall not be later than May 1, 2050, and (D) the Series 2019 Area One Bonds shall be subject to an optional call by the District no later than May 1, 2030;

(iii) Receipt by the Chair of a written offer to purchase the Series 2019A Area Two Bonds by the Underwriter substantially in the form of the Contract of Purchase,

said offer to provide for, among other things, (A) the issuance of not exceeding \$4,000,000 initial aggregate principal amount of Series 2019A Area Two Bonds at an interest rate of not to exceed the rate computed by adding 300 basis points to the Bond Buyer "20 Bond Index" published immediately preceding the first day of the calendar month in which the Series 2019A Area Two Bonds are sold, (B) a price of not less than 97.5%, excluding underwriter's discount of the par amount of the Series 2019A Area Two Bonds, and (C) the final maturity of the Series 2019A Area Two Bonds shall not be later than May 1, 2051, and (D) the Series 2019A Area Two Bonds shall be subject to an optional call by the District no later than May 1, 2035; and

(iv) Receipt by the Chair of a written offer to purchase the Series 2019B Area Two Bonds by the Underwriter substantially in the form of the Contract of Purchase, said offer to provide for, among other things, (A) the issuance of not exceeding \$2,000,000 initial aggregate principal amount of Series 2019B Area Two Bonds at an interest rate of not to exceed the rate computed by adding 300 basis points to the Bond Buyer "20 Bond Index" published immediately preceding the first day of the calendar month in which the Series 2019B Area Two Bonds are sold, (B) a price of not less than 97.5%, excluding underwriter's discount of the par amount of the Series 2019B Area Two Bonds, and (C) the final maturity of the Series 2019B Area Two Bonds shall not be later than May 1, 2045.

Section 9. Preliminary Limited Offering Memorandum; Final Limited Offering Memorandum. The District hereby authorizes and approves the distribution and use of the Preliminary Limited Offering Memorandum in substantially the form submitted to this meeting and attached hereto as **Exhibit F** in connection with the limited offering for sale of the Series 2019 Bonds. The preparation of a final Limited Offering Memorandum (the "Limited Offering Memorandum") is hereby approved and the Chair or any Designated Member is hereby authorized to execute such final Limited Offering Memorandum to be dated the date of the award of the Series 2019 Bonds, and upon such award, to deliver the same to the Underwriter for use by it in connection with the sale and distribution of the Series 2019 Bonds. The Limited Offering Memorandum shall be substantially in the form as the Preliminary Limited Offering Memorandum, with such changes as shall be approved by the Chair or Designated Member as necessary to conform to the details of the Series 2019 Bonds, the Contract of Purchase and such other insertions, modifications and changes as may be approved by the Chair or Designated Member. The execution and delivery of the Limited Offering Memorandum by the Chair shall constitute evidence of the approval thereof. The District hereby authorizes the use of the Limited Offering Memorandum and the information contained therein in connection with the offering and sale of the Series 2019 Bonds. The District hereby authorizes the Chair or a Designated Member to deem "final" the Preliminary Limited Offering Memorandum except for permitted omissions all within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 and to execute a certificate in that regard.

Section 10. Continuing Disclosure. The District does hereby authorize and approve the execution and delivery of the Continuing Disclosure Agreements by the Chair or a

Designated Member substantially in the forms presented to this meeting and attached hereto as **Exhibit G** and **Exhibit H**, respectively, with a dissemination agent and each of the Developers. The Continuing Disclosure Agreements are being executed by the District in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). Wrathell, Hunt & Associates is hereby appointed as the initial Dissemination Agent to perform the duties required under the Continuing Disclosure Agreements.

Section 11. Appointment of Trustee. U.S. Bank National Association is hereby appointed to serve as Trustee, Paying Agent, Registrar and Authenticating Agent under the Indenture.

Section 12. Application of Bond Proceeds. The proceeds of the Series 2019 Area One Bonds shall be applied to (i) paying all or a portion of the costs of the Series 2019 Area One Project, (ii) paying certain capitalized interest on the Series 2019 Area One Bonds, (iii) funding the respective Debt Service Reserve Account of the Debt Service Reserve Fund for the Series 2019 Area One Bonds, and (iv) paying the costs of issuance of the Series 2019A Area One Bonds.

The proceeds of the Series 2019A Area Two Bonds shall be applied to (i) paying a portion of the costs of the Series 2019 Area Two Project, (ii) paying certain capitalized interest on the Series 2019A Area Two Bonds, (iii) funding the respective Debt Service Reserve Account of the Debt Service Reserve Fund for the Series 2019A Area Two Bonds, and (iv) paying the costs of issuance of the Series 2019A Area Two Bonds.

The proceeds of the Series 2019B Area Two Bonds shall be applied to (i) paying a portion of the costs of the Series 2019 Area Two Project, (ii) paying certain capitalized interest on the Series 2019B Area Two Bonds, (iii) funding the respective Debt Service Reserve Account of the Debt Service Reserve Fund for the Series 2019B Area Two Bonds, and (iv) paying the costs of issuance of the Series 2019B Area Two Bonds.

Section 13. Open Meetings. It is found and determined that all formal actions of the District concerning and relating to the adoption of this Resolution were taken in an open meeting of the members of the Board of Supervisors of the District and that all deliberations of the members of the Board of Supervisors of the District which resulted in such formal action were taken in meetings open to the public, in full compliance with all legal requirements.

Section 14. Further Official Action; Ratification of Prior and Subsequent Acts. The Chair, the Secretary and each member of the Board of Supervisors of the District and any other proper official of the District are each hereby authorized and directed to execute and deliver any and all documents and instruments (including, without limitation, any documents required by the Trustee to evidence its rights and obligations with respect to the Series 2019 Bonds, any documents required in connection with implementation of a book-entry system of registration, any agreements with the Developer and any agreements in connection with maintaining the exclusion of interest on the Series 2019 Bonds from gross income of the holders thereof) and to do and cause to be done any and all acts and things necessary or desirable for carrying out the

transactions contemplated by this Resolution. In the event that the Chair or the Secretary is unable to execute and deliver the documents herein contemplated, such documents shall be executed and delivered by the respective designee of such officer or official or any other duly authorized officer or official of the District. The Secretary or any Assistant Secretary is hereby authorized and directed to apply and attest the official seal of the District to any agreement or instrument authorized or approved herein that requires such a seal and attestation. The Chair or any Designated Member may, among other things, authorize the change of the date of any document accompanying this Resolution as an exhibit or incorporate the information and details related to the sale and pricing of the Series 2019 Bonds including any required changes to the District engineer's report or its assessment methodology. Execution by the Chair or a Designated Member of such document shall be deemed to be conclusive evidence of approval of such change of date or the incorporation of information and details relating to the sale and pricing of the Series 2019 Bonds. All of the acts and doings of such members of the Board, the officers of the District, and the agents and employees of the District, which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved.

Section 15. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.

Section 16. Inconsistent Proceedings. All resolutions or proceedings, or parts thereof, in conflict with the provisions hereof are to the extent of such conflict hereby repealed or amended to the extent of such inconsistency.

Section 17. Ratification of Initial Resolution. Except to the extent hereby modified, the Initial Resolution of the District is hereby ratified, confirmed and approved in all respects.

Section 18. Effective Date. This Resolution shall take effect immediately upon its adoption.

[End of Resolution – Signature page to follow]

PASSED in Public Session of the Board of Supervisors of Hunter's Ridge Community Development District No. 1, this 5th day of December, 2018.

**HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1**

Attest:

Secretary/Assistant Secretary,
Board of Supervisors

Chair,
Board of Supervisors

EXHIBIT A

FORM OF MASTER TRUST INDENTURE

EXHIBIT B

FORM OF FIRST SUPPLEMENTAL TRUST INDENTURE

EXHIBIT C

FORM OF SECOND SUPPLEMENTAL TRUST INDENTURE

EXHIBIT D

FORM OF THIRD SUPPLEMENTAL TRUST INDENTURE

EXHIBIT E

FORM OF CONTRACT OF PURCHASE

EXHIBIT F

FORM OF PRELIMINARY LIMITED OFFERING MEMORANDUM

EXHIBIT G

FORM OF HUNTINGTON CONTINUING DISCLOSURE AGREEMENT

EXHIBIT H

FORM OF DEERFIELD CONTINUING DISCLOSURE AGREEMENT

HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1

12Ai

MASTER TRUST INDENTURE

between

HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1

and

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

Dated as of January 1, 2019

relating to

**HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1
SPECIAL ASSESSMENT BONDS**

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- EXHIBIT B – DESCRIPTION OF THE CAPITAL IMPROVEMENT PROGRAM
- EXHIBIT C – FORM OF BOND
- EXHIBIT D – FORM OF REQUISITION

THIS **MASTER TRUST INDENTURE**, dated as of January 1, 2019 (the “Master Indenture”), by and between **HUNTER’S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1** (the “Issuer”), a local unit of special-purpose government organized and existing under the laws of the State of Florida, and **U.S BANK NATIONAL ASSOCIATION**, a national banking association, as trustee, authorized to accept and execute trusts of the character herein set out and having a corporate trust office in Fort Lauderdale, Florida(said corporation and any bank or trust company becoming successor trustee under the Indenture (as defined herein) being hereinafter referred to as the “Trustee”);

WITNESSETH:

WHEREAS, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the “Act”), by Ordinance No. 2014-01 enacted by the Board of County Commissioners of Flagler County, Florida (the “County”) on April 21, 2014, for the purpose, among other things, of financing and managing the design, acquisition, construction, maintenance, and operation of systems, facilities and basic infrastructure within and without the boundaries of the premises to be governed by the Issuer; and

WHEREAS, the premises governed by the Issuer (as further described in **Exhibit A** hereto, the “District Lands”) consist of approximately 214.13 acres of land located entirely within the County; and

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

WHEREAS, the Issuer proposes to finance or refinance the cost of acquisition and construction of the Capital Improvement Program by the issuance of one or more series of bonds pursuant to this Master Indenture;

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

the trusts hereby created, and intending to be legally bound hereby, the Issuer hereby assigns, transfers, sets over and pledges to the Trustee and grants a lien on all of the right, title and interest of the Issuer in and to the Pledged Revenues (hereinafter defined) as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on Bonds of a Series issued hereunder and any reimbursement due to any Credit Facility Issuer for any drawing on its Credit Facility issued with respect to any such Bonds, as required under the terms of the corresponding Credit Facility Agreement, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

ARTICLE I DEFINITIONS

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

“Account” shall mean any account established pursuant to the Indenture.

“Acquisition Agreement” shall mean one or more acquisition agreements among the Issuer and the Developer, pursuant to which the Developer agrees to provide, design, construct and sell to the Issuer, and the Issuer agrees to purchase from the Developer, certain work product, plans and improvements comprising all or a portion of the Capital Improvement Program and with respect to a Series of Bonds, as further provided in a Supplemental Indenture.

“Acquisition and Construction Fund” shall mean the Fund so designated which is established pursuant to Section 5.01 hereof.

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

“Annual Budget” shall mean the Issuer’s budget of current operating and maintenance expenses for a Fiscal Year, adopted pursuant to the provisions of Section 9.20 of this Master Indenture, as the same may be amended from time to time.

“Authenticating Agent,” shall mean the agent so described in, and appointed pursuant to, Section 2.03 hereof.

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

“Authorized Newspaper” shall mean a newspaper printed in English and customarily published at least once a day at least five days a week and generally circulated in New York, New York, or Flagler County, Florida, or such other locations as the Issuer from time to time

may determine by written notice provided to the Trustee. When successive publications in an Authorized Newspaper are required, they may be made in the same or different Authorized Newspapers.

"Beneficial Owner" shall mean 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. The Trustee is authorized to recognize the Beneficial Owners of a Series of Bonds for purposes of approvals, consents or other actions taken under the Indenture if beneficial ownership is proven to the satisfaction of the Trustee.

"Board" shall mean the board of supervisors of the Issuer.

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

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

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

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

"Bonds" shall mean the Hunter's Ridge Community Development District No. 1 (Flagler County, Florida) Special Assessment Bonds, Series [to be designated] issued in one or more Series and delivered pursuant to the provisions of this Master Indenture and Bonds subsequently issued to refund all or a portion of the Bonds.

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

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

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

“Code” shall mean the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

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

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

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

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

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

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

- (a) expenses of determining the feasibility or practicability of acquisition, construction, or reconstruction;
- (b) cost of surveys, estimates, plans, and specifications;
- (c) cost of construction/performance bonds, construction permits and platting;
- (d) cost of improvements;
- (e) engineering, architectural, fiscal, legal, accounting and other professional and advisory expenses and charges;
- (f) cost of all labor, materials, machinery, and equipment (including, without limitation, (i) amounts payable to contractors, builders and materialmen and costs incident to the award of contracts and (ii) the cost of labor, facilities and services furnished by the Issuer

and its employees, materials and supplies purchased by the Issuer and permits and licenses obtained by the Issuer);

- (g) cost of all lands, properties, rights, easements, and franchises acquired;
- (h) financing charges;
- (i) creation of initial reserve and debt service funds;
- (j) working capital;
- (k) interest charges incurred or estimated to be incurred on money borrowed prior to and during construction and acquisition and for such reasonable period of time after completion of construction or acquisition as the Board may determine;
- (l) the cost of issuance of Bonds, including, without limitation, advertisements and printing;
- (m) the cost of any election held pursuant to the Act and all other expenses of issuance of bonds;
- (n) the discount, if any, on the sale or exchange of Bonds;
- (o) amounts required to repay temporary or bond anticipation loans made to finance any costs permitted under the Act;
- (p) costs of prior improvements performed by the Issuer in anticipation of the Project;
- (q) costs incurred to enforce remedies against contractors, subcontractors, any provider of labor, material, services, or any other Person, for a default or breach under the corresponding contract, or in connection with any other dispute;
- (r) premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same;
- (s) payments, contributions, dedications, surety bonds, deposits and any other exactions required as a condition to receive any government approval or permit necessary to accomplish any Issuer purpose;
- (t) administrative expenses;
- (u) taxes, assessments and similar governmental charges during construction or reconstruction of a Project;

- (v) expenses of Project management and supervision;
- (w) costs of effecting compliance with any and all governmental permits relating to a Project;
- (x) such other expenses as may be necessary or incidental to the acquisition, construction, or reconstruction of a Project or to the financing thereof; and
- (y) any other "cost" or expense as provided by the Act.

In connection with the refunding or redeeming of any Bonds, "Cost" includes, without limiting the generality of the foregoing, the items listed in (d), (k), (l) and (m) above, and other expenses related to the redemption of the Bonds to be redeemed and the Redemption Price of such Bonds (and the accrued interest payable on redemption to the extent not otherwise provided for). Whenever Costs are required to be itemized, such itemization shall, to the extent practicable, correspond with the items listed above. Whenever Costs are to be paid hereunder, such payment may be made by way of reimbursement to the Issuer or any other Person who has paid the same in addition to direct payment of Costs.

"Counsel" shall mean an attorney-at-law or law firm (who may be counsel for the Issuer) with expertise in the related matter.

"County" shall mean Flagler County, Florida.

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

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

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

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

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

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

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

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

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

“Debt Service Reserve Insurance Policy” shall mean the insurance policy, surety bond or other evidence of insurance, if any, deposited to the credit of the Debt Service Reserve Fund or any account thereof in lieu of or in partial substitution for cash or securities on deposit therein, which policy, bond or the evidence of insurance constitutes an unconditional senior obligation of the issuer thereof. The issuer thereof shall be a municipal bond insurer whose obligations ranking pari passu with its obligations under such policy, bond or other evidence of insurance are rated at the time of deposit of such policy, bond or other evidence of insurance to the credit of the Debt Service Reserve Fund or any account thereof in one of the three highest rating categories of either Moody’s or S&P, unless otherwise approved by the Credit Facility Issuer who has issued a municipal bond insurance policy with respect to the Bonds.

“Debt Service Reserve Letter of Credit” shall mean the irrevocable, transferable letter or line of credit, if any, deposited for the credit of the Debt Service Reserve Fund or any account thereof in lieu of or in partial substitution for cash or securities on deposit therein, which letter or line of credit constitutes an unconditional senior obligation of the issuer thereof. The issuer of such letter or line of credit shall be a banking association, bank or trust company or branch thereof whose senior debt obligations ranking pari passu with its obligations under such letter or line of credit are rated at the time of deposit of the letter or line of credit to the credit of the Debt Service Reserve Fund or any account thereof in the one of the three highest rating categories of either Moody’s or S&P, unless otherwise approved by the Credit Facility Issuer who has issued a municipal bond insurance policy with respect to the Bonds.

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

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

“Deferred Costs” shall mean the amount advanced by the Developer and deposited into the appropriate Account of the Acquisition and Construction Fund, and with respect to an Acquisition Agreement or the amount by which the Cost of the Capital Improvement Program or portion thereof to be conveyed by the Developer to the Issuer pursuant to such Acquisition Agreement exceeds the amount actually paid by the Issuer for the Capital Improvement Program or portion thereof from proceeds of the applicable Series of Bonds, the repayment of such costs being subordinate to the Bonds issued and Outstanding under the Indenture and payable, if ever, solely as provided herein and in the applicable Supplemental Indenture. The Trustee may conclusively rely on specific written instructions set forth in the applicable Supplemental Indenture or certifications set forth in a requisition delivered to it with respect to the existence of any Deferred Costs to be paid and the amount to be paid. In all other respects, the Trustee, absent specific written notice from the Issuer or the District Manager, is authorized to assume that no Deferred Costs exist.

“Developer” shall mean Quixote Asset Developers, Inc. a [_____] corporation, and any affiliate or any entity which succeeds to all or any part of the respective interests and assumes any or all of the respective responsibilities of said entities, as the developers of the District Lands.

“District Lands” shall mean the premises governed by the Issuer, currently consisting of approximately 214.13 acres of land located entirely within the County, as more fully described in **Exhibit A**.

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

"Electronic Means" or "electronic means" shall mean telecopy, facsimile transmission, email transmission or other similar electronic means of communicating providing evidence of transmission.

“Event of Default” shall mean any of the events described in Section 10.02 hereof.

“Fiscal Year” shall mean the period of twelve (12) months beginning October 1 of each calendar year and ending on September 30 of the following calendar year, and also shall mean the period from actual execution hereof to and including the next succeeding September 30; or such other consecutive twelve-month period as may hereafter be established pursuant to a Certified Resolution as the fiscal year of the Issuer for budgeting and accounting purposes as authorized by law.

“Fitch” shall mean Fitch Ratings, Inc.

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

“Generally Accepted Governmental Accounting Principles” shall mean those accounting principles applicable in the preparation of financial statements of governmental entities such as the Issuer.

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

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

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

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

“Interest Payment Date” shall mean each May 1 and November 1 commencing on the date specified in the Supplemental Indenture pursuant to which a Series of Bonds is issued.

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

“Investment Grade Rating” shall mean either a rating of “BBB-” or higher by S&P or a rating of “Baa3” or higher by Moody’s or a rating of “BBB-” or higher by Fitch.

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

- (1) Government Obligations;
- (2) obligations of any of the following agencies: Government National Mortgage Association (including participation certificates issued by such Association); FannieMae (including participation certificates issued by such entity); Federal Home Loan Banks; Federal Farm Credit Banks; Tennessee Valley Authority; Farmers Home Administration; Student Loan Marketing Association; Federal Home Loan Mortgage Corporation.

(3) Time deposits, Federal funds or bankers' acceptances (with term to maturity of 270 days or less) of any bank which has an unsecured, uninsured and unguaranteed obligation rated in one of the top two rating categories by both Moody's and S&P;

(4) commercial paper rated in one of the top two rating categories by both Moody's and S&P;

(5) obligations of any state of the United States or political subdivision thereof or constituted authority thereof the interest on which is exempt from federal income taxation under Section 103 of the Code and rated in one of the top two rating categories by both Moody's and S&P;

(6) 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 by Moody's or S&P;

(7) repurchase agreements, which will be collateralized at the onset of the repurchase agreement of at least 103% marked to market weekly with collateral with a domestic or foreign bank or corporation (other than life or property casualty insurance company) the long-term debt of which, or, in the case of a financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's provided that the repurchase agreement shall provide that if during its term the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3," respectively, the provider shall immediately notify the Issuer and the Trustee and the provider shall at its option, within ten days of receipt of publication of such downgrade, either (A) maintain collateral at levels, sufficient to maintain an "AA" rated investment from S&P and an "Aa" rated investment from Moody's, or (B) repurchase all collateral and terminate the repurchase agreement. Further, if the provider's rating by either S&P or Moody's falls below "A-" or "A3," respectively, the provider must at the direction of the Issuer to the Trustee, within ten (10) calendar days, either (1) maintain collateral at levels sufficient to maintain an "AA" rated investment from S&P and an "Aa" rated investment from Moody's, or (2) repurchase all collateral and terminate the repurchase agreement without penalty. In the event the repurchase agreement provider has not satisfied the above conditions within ten (10) days of the date such conditions apply, then the repurchase agreement shall provide that the Trustee shall withdraw the entire amount invested plus accrued interest within two (2) Business Days. Any repurchase agreement entered into pursuant to this Master Indenture shall contain the following additional provisions:

(i) Failure to maintain the requisite collateral percentage will require the Issuer or the Trustee to liquidate the collateral as provided above;

(ii) The Holder of the collateral, as hereinafter defined, shall have possession of the collateral or the collateral shall have been transferred to the Holder of the

collateral, in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

(iii) The repurchase agreement shall state and an opinion of Counsel in form and in substance satisfactory to the Issuer shall be rendered that the Holder of the collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the collateral is in possession);

(iv) The repurchase agreement shall be a "repurchase agreement" as defined in the United States Bankruptcy Code and, if the provider is a domestic bank, a "qualified financial contract" as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and such bank is subject to FIRREA;

(v) The repurchase transaction shall be in the form of a written agreement, and such agreement shall require the provider to give written notice to the Trustee of any change in its long-term debt rating;

(vi) The Issuer or its designee shall represent that it has no knowledge of any fraud involved in the repurchase transaction;

(vii) The Issuer and the Trustee shall receive the opinion of Counsel (which opinion shall be addressed to the Issuer and the Trustee and shall be in form and substance satisfactory to the Issuer) that such repurchase agreement complies with the terms of this section and is legal, valid, binding and enforceable upon the provider in accordance with its terms;

(viii) The term of the repurchase agreement shall be no longer than ten years or the remaining term of the Bonds, whichever is earlier;

(ix) The interest with respect to the repurchase transaction shall be payable no less frequently than quarterly;

(x) The repurchase agreement shall provide that the Trustee may withdraw funds without penalty at any time, or from time to time, for any purpose permitted or required under this Master Indenture;

(xi) Any repurchase agreement shall provide that a perfected security interest in such investments is created for the benefit of the Beneficial Owners under the Uniform Commercial Code of Florida, or book-entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. are created for the benefit of the Beneficial Owners; and

(xii) The collateral delivered or transferred to the Issuer, the Trustee, or a third-party acceptable to, and acting solely as agent for, the Trustee (the "Holder of the

collateral") shall be delivered and transferred in compliance with applicable state and federal laws (other than by means of entries on provider's books) free and clear of any third-party liens or claims pursuant to a custodial agreement subject to the prior written approval of the Majority Owners and the Trustee. The custodial agreement shall provide that the Trustee must have the rights for disposition or control over the collateral of the repurchase agreement, irrespective of an event of default by the provider of such repurchase agreement.

If such investments are held by a third-party, they shall be held as agent for the benefit of the Trustee as fiduciary for the Beneficial Owners and not as agent for the bank serving as Trustee in its commercial capacity or any other party and shall be segregated from securities owned generally by such third party or bank;

(8) any other investment permitted under Florida law and approved in writing by the Majority Owners of the Bonds secured thereby;

(9) bonds, notes and other debt obligations of any corporation organized under the laws of the United States, any state or organized territory of the United States or the District of Columbia, if such obligations are rated in one of the three highest ratings by both Moody's and S&P or in one of the two highest categories by either S&P or Moody's;

(10) investment agreements with a bank, insurance company or other financial institution, or the subsidiary of a bank, insurance company or other financial institution if the parent guarantees the investment agreement, which bank, insurance company, financial institution or parent has an unsecured, uninsured and unguaranteed obligation (or claims-paying ability) rated in the highest short-term rating category by Moody's, S&P or Fitch (if the term of such agreement does not exceed 365 days), or has an unsecured, uninsured and unguaranteed obligation (or claims paying ability) rated Aa2 or better by Moody's and AA or better by S&P or Fitch, respectively (if the term of such agreement is more than 365 days) or is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation of the aforesaid ratings, provided:

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

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

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

(iv) the Issuer and the Trustee receive an opinion of Counsel that such agreement is an enforceable obligation of such insurance company, bank, financial institution or parent;

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

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

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

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

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

(11) bonds, notes and other debt obligations of any corporation organized under the laws of the United States, any state or organized territory of the United States or the Issuer of Columbia, if such obligations are rated in one of the three highest ratings by both Moody's and S&P or in one of the two highest categories by either S&P or Moody's;

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

(13) in addition to the deposits described in subsection (3) above in the definition of Investment Securities, time deposits, demand deposits or certificate of deposit of any depository institution or trust company incorporated under the law of the United States of America or any State (or any domestic branch of foreign bank) and subject to supervision and examination by Federal or State depository institution authority (including the Trustee); provided, however, that at the time of the investment, short-term unsecured debt obligations hereof shall have a credit rating in the highest rating category by S&P or Moody's.

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

“Issuer” shall mean the Hunter's Ridge Community Development District No. 1.

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

“Majority Owners” shall mean the Beneficial Owners of more than fifty percent (50%) of the aggregate principal amount of the Bonds then Outstanding to which such reference is made.

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

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

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

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

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

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

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

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

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

“Paying Agent” shall mean initially, the Trustee, and thereafter any successor thereto appointed in accordance with Section 11.20 of this Master Indenture.

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

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

“Project” shall mean, with respect to any Series of Bonds, the portion or portions of the Capital Improvement Program financed or refinanced with such Series of Bonds, all as more specifically described in the Supplemental Indenture relating to such Series of Bonds; provided that the portion or portions of the Capital Improvement Program financed with a Series of Bonds shall specially benefit all of the District Lands on which Special Assessments to secure such Series of Bonds have been levied.

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

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

“Rebate Fund” shall mean the Fund, if any, so designated, which is established pursuant to an arbitrage rebate agreement, into which shall be deposited certain moneys in accordance with the provisions of said arbitrage rebate agreement.

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

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

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

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

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

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

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

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

“S&P” shall mean Standard & Poor’s, a Standard & Poor’s Financial Services LLC business, organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer and acceptable to the Trustee.

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

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

“Sinking Fund Installments” shall mean the money required to be deposited in the Sinking Fund Account for the purpose of the mandatory redemption of any term Bonds issued pursuant to the Indenture, the specific amounts and times of such deposits to be as set forth in Section 8.01(c) hereof and the applicable Supplemental Indenture.

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

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

“State” shall mean the State of Florida.

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

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

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

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

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

ARTICLE II THE BONDS

SECTION 2.01. AMOUNTS AND TERMS OF BONDS; DETAILS OF BONDS

. The Issuer is hereby authorized to issue in one or more Series pursuant to the terms and conditions of this Master Indenture, its obligations to be known as “Hunter's Ridge Community Development District No. 1 Special Assessment Bonds, Series [to be designated]” (the “Bonds”). The total principal amount of Bonds that may be issued under this Master Indenture is expressly limited to \$45,000,000 exclusive of any refunding bonds. The Bonds shall be issued in Authorized Denominations and within each Series shall be numbered consecutively from R-1 and upwards in each Series and in substantially the form attached hereto as **Exhibit C**, with such appropriate variations, omissions and insertions as are permitted or required by this Master Indenture or as otherwise provided in a Supplemental Indenture. All Bonds shall be issued only upon satisfaction of the conditions set forth in Article III hereof; and the Trustee shall, at the Issuer’s written request, authenticate such Bonds and deliver them as specified in such request.

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

Both the principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender on the respective dates of

payment thereof for the payment of public and private debts. Unless otherwise provided in Section 2.11 hereof or in a Supplemental Indenture, the principal of all Bonds shall be payable at the designated corporate trust office of the Paying Agent upon the presentation and surrender of such Bonds as the same shall become due and payable.

Except to the extent otherwise provided in Section 2.11 hereof or in a Supplemental Indenture, interest on any Bond is payable on any Interest Payment Date by check or draft mailed on the Interest Payment Date to the person in whose name that Bond is registered at the close of business on the Regular Record Date for such Interest Payment Date, at his address as it appears on the Bond Register. The Bonds shall bear interest from the Interest Payment Date next preceding the date on which they are authenticated unless authenticated on an Interest Payment Date in which event they shall bear interest from such Interest Payment Date, or unless authenticated before the first Interest Payment Date in which event they shall bear interest from their date; provided, however, that if a Bond is authenticated between a Record Date and the next succeeding Interest Payment Date, such Bond shall bear interest from such succeeding Interest Payment Date; provided further, however, that if at the time of authentication of any Bond interest thereon is in default, such Bond shall bear interest from the date to which interest has been paid. Any interest on any Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be given by Electronic Means or mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to giving such notices, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, but subject to the provisions of Section 2.11 hereof, any Owner of Bonds of a Series in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Trustee and Paying Agent, upon requesting the same in a writing received by the Trustee and Paying Agent at least fifteen (15) days prior to the relevant Record Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Trustee and Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Trustee and Paying Agent at least fifteen (15) days prior to the relevant Record Date. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by such Bonds on the day before the default occurred.

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

SECTION 2.02. EXECUTION

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

SECTION 2.03. AUTHENTICATION; AUTHENTICATING AGENT

. No Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, as Authenticating Agent, and such authentication shall be proof that the Bondholder is entitled to the benefit of the trust hereby created. The Trustee shall at all times serve as Authenticating Agent and shall be authorized to authenticate the Bonds.

SECTION 2.04. REGISTRATION AND REGISTRAR

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

SECTION 2.05. MUTILATED, DESTROYED, LOST OR STOLEN BONDS

. If any Bond shall become mutilated, the Issuer shall execute and the Trustee or Authenticating Agent, as the case may be, shall thereupon authenticate and deliver a new Bond of like Series, tenor and denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee or Authenticating Agent, as the case may be, of such mutilated Bond for cancellation, and the Issuer and the Trustee or Authenticating Agent, as the case may be, may require reasonable indemnity therefor. If any Bond shall be reported lost, stolen or destroyed, evidence as to the ownership and the loss, theft or destruction thereof shall be submitted to the Issuer and the Trustee or Authenticating Agent, as the case may be; and if such evidence shall be satisfactory to both and indemnity satisfactory to both shall be given, the Issuer shall execute, and thereupon the Trustee or Authenticating Agent, as the case may be, shall authenticate and deliver a new Bond of like Series, tenor and denomination. The cost of providing any substitute Bond under the provisions of this Section shall be borne by the Bondholder for whose benefit such substitute Bond is provided. If any such mutilated, lost,

stolen or destroyed Bond shall have matured or be about to mature, the Issuer may, with the consent of the Trustee or Authenticating Agent, as the case may be, pay to the Owner the principal amount of and accrued interest on such Bond upon the maturity thereof and compliance with the aforesaid conditions by such Owner, without the issuance of a substitute Bond therefor.

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

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

SECTION 2.06. TEMPORARY BONDS

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

SECTION 2.07. CANCELLATION AND DESTRUCTION OF SURRENDERED BONDS

. All Bonds surrendered for payment or redemption and all Bonds surrendered for exchange shall, at the time of such payment, redemption or exchange, be promptly transferred by the Registrar, Paying Agent or Authenticating Agent to, and cancelled and destroyed by, the Trustee in accordance with its retention policy then in effect. The Trustee shall deliver to the Issuer a certificate of destruction in respect of all Bonds destroyed in accordance with this Section.

SECTION 2.08. REGISTRATION, TRANSFER AND EXCHANGE

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

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

At the option of the Bondholder, Bonds may be exchanged for other Bonds of a like aggregate principal amount and of the same Series and maturity, upon surrender of the Bonds to be exchanged at any such office of the Registrar. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute and the Trustee, as Registrar and Authenticating Agent shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive.

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

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

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

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

SECTION 2.09. PERSONS DEEMED OWNERS

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

SECTION 2.10. LIMITATION ON INCURRENCE OF CERTAIN INDEBTEDNESS

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

SECTION 2.11. QUALIFICATION FOR THE DEPOSITORY TRUST COMPANY

. To the extent provided in a Supplemental Indenture or authorized and directed by a Resolution of the Issuer authorizing the issuance of a Series of Bonds, the Trustee shall be authorized to enter into agreements with The Depository Trust Company, New York, New York ("DTC") and other depository trust companies, including, but not limited to, agreements necessary for wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC, and other depository trust companies in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by DTC and other depository trust companies (or any of their designees identified to the Trustee in writing) by overnight delivery, courier service, telegram, telecopy or other similar means of communication.

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

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

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

The Bonds registered in the name of Cede & Co. shall initially be issued in the form of one fully registered Bond for each maturity of each Series registered in the name of Cede & Co. and shall be held in such form until maturity. Individuals may purchase beneficial interests in

Authorized Denominations in book-entry-only form, without certificated Bonds, through DTC Participants and Indirect Participants.

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

The Issuer and the Trustee, if appropriate, shall enter into a blanket letter of representations with DTC providing for such book-entry-only system. Such agreement may be terminated at any time by either DTC or the Issuer. In the event of such termination, the Issuer shall select another securities depository and in the event all references to DTC or Cede & Co. shall be deemed to be references to its respective successor. If the Issuer does not replace DTC, the Trustee will register and deliver to the Beneficial Owners replacement Bonds in the form of fully registered Bonds in accordance with the instructions from Cede & Co.

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

ARTICLE III ISSUE OF BONDS

SECTION 3.01. ISSUE OF BONDS

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

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

and delivery of an escrow agreement, if applicable, and other matters contained in Section XIV hereof;

(2) a written opinion or opinions of Counsel to the Issuer, which shall also be addressed to the Trustee, to the effect that (a) all conditions prescribed herein as precedent to the issuance of the Bonds have been fulfilled; (b) the Bonds have been validly authorized and executed by the Issuer and when authenticated and delivered pursuant to the request of the Issuer will be valid obligations of the Issuer entitled to the benefit of the trust created hereby and will be enforceable in accordance with their terms except as enforcement thereof may be affected by bankruptcy, reorganization, insolvency, moratorium and other similar laws relating to creditors' rights generally and subject to equitable principles, whether in a proceeding at law or in equity; (c) any consents of any Regulatory Bodies required in connection with the issuance of the Bonds or in connection with the acquisition of the improvements included in a Project have been obtained or based on certifications of the Consulting Engineer can be reasonably expected to be obtained on or prior to the date such consents are required for such Project; and (d) if the acquisition of any real property or interest therein is included in the purpose of such issue, and in exchange for the payment of proceeds of the Bonds at the time of the issuance of the Bonds, (i) the Issuer has or can acquire good and marketable title thereto free from all liens and encumbrances except such as will not materially interfere with the proposed use thereof or (ii) the Issuer has or can acquire a valid, subsisting and enforceable leasehold, easement, right-of-way or other interest in real property sufficient to effectuate the purpose of the issue (which opinion may be stated in reliance on the opinion of other Counsel satisfactory to the signer or on a title insurance policy issued by a reputable title company) (clause (c) shall not apply in the case of the issuance of a refunding Series of Bonds);

(3) an opinion of Counsel to the Issuer, which shall also be addressed to the Trustee, to the effect that: (a) the Issuer has good right and lawful authority under the Act to undertake 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; (b) that the Special Assessment proceedings have been taken in accordance with Florida law and that the Issuer has taken all action necessary to levy and impose the Special Assessments; (c) that the Special Assessments are legal, valid, and binding liens upon the property against which the Special Assessments are made, coequal with the lien of all State, City, County and municipal ad valorem taxes and superior in priority to all other liens, titles and claims against said property then existing or thereafter created, until paid; (d) the related Indenture has been duly and validly authorized, approved, and executed by the Issuer; (e) the issuance of the Series of Bonds has been duly authorized and approved by the Board; and (f) the related Indenture (assuming due authorization, execution and delivery by the Trustee) constitutes a binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms except as enforcement thereof may be affected by bankruptcy, reorganization, insolvency, moratorium and other similar laws relating to creditors' rights generally and subject to equitable principles, whether in a proceeding at law or in equity (clauses (a), (b) and (c) shall not apply in the case of the issuance of a refunding Series of Bonds);

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

(5) a Financial Consultant's certificate that (a) the benefit from the Project equals or exceeds the amount of Special Assessments; (b) the Special Assessments are fairly and reasonably allocated across the District Lands subject to the Special Assessments; and (c) the Special Assessments are sufficient to pay the Debt Service Requirements on the Bonds;

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

(7) the proceeds of the sale of such Bonds.

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

(9) one or more Certified Resolutions of the Issuer relating to the levy of Special Assessments in respect of the Project, and evidencing that the Issuer has undertaken and, to the extent then required under applicable law, completed all necessary proceedings, including, without limitation, the approval of assessment rolls, the holding of public hearings, the adoption of resolutions and the establishment of all necessary collection procedures, in order to levy and collect Special Assessments upon the District Lands in an amount sufficient to pay the Debt Service Requirement on the Bonds to be issued (the foregoing shall not be applicable in the case of the issuance of a refunding Series of Bonds);

(10) an opinion of Bond Counsel substantially to the effect that (a) the Series of Bonds are valid and binding limited obligations of the Issuer, (b) the Indenture constitutes a valid and binding obligation of the Issuer, enforceable in accordance with its terms, and (c) if such Series of Bonds are not taxable Bonds, that the interest thereon is excludable from gross income for

federal income tax purposes under the income tax laws of the United States in effect on the date such Series of Bonds are delivered to their initial purchasers;

(11) a written direction of the Issuer to the Trustee to authenticate and deliver such Bonds;

(12) a copy of a Final Judgment of Validation and a Certificate of No Appeal with respect to the Bonds that are subject to validation;

(13) in the case of the issuance of a refunding Series of Bonds, an Officer's Certificate stating (a) the intended use of the proceeds of the issue; (b) any other amounts available for such purpose; (c) that the proceeds of the issue plus the other amounts, if any, stated to be available for the purpose will be sufficient to refund the Bonds to be refunded in accordance with the refunding plan and in compliance with Article XIV of this Master Indenture, including, without limitation, to pay the Costs of issuance of such Bonds, and (d) that notice of redemption, if applicable, of the Bonds to be refunded has been duly given or that provision has been made therefor, as applicable;

(14) in the case of the issuance of a refunding Series of Bonds, a written opinion of Bond Counsel to the effect that the issuance of such Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Bonds issued pursuant to the Indenture (to the extent that upon original issuance thereof such Bonds were issued as Bonds the interest on which is excludable from gross income for federal income tax purposes); and

(15) such other documents, certifications and opinions as shall be required by the Supplemental Indenture or by the Issuer or the Trustee upon advice of counsel.

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

ARTICLE IV ACQUISITION OF PROJECT

SECTION 4.01. PROJECT TO CONFORM TO PLANS AND SPECIFICATIONS; CHANGES

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

SECTION 4.02. COMPLIANCE REQUIREMENTS

. The Issuer will comply with all present and future laws, acts, rules, regulations, orders and requirements lawfully made and applicable in fact to any acquisition or construction hereby undertaken and shall obtain all necessary approvals under federal, state and local laws, acts, rules and regulations necessary for the completion and operation of any Project or portion thereof for which any Series of Bonds is being issued and shall complete any Project or portion thereof in conformity with such approvals, laws, rules and regulations.

ARTICLE V ACQUISITION AND CONSTRUCTION FUND

SECTION 5.01. ACQUISITION AND CONSTRUCTION FUND

. The Trustee shall establish an Acquisition and Construction Fund into which shall be deposited the proceeds from each Series of Bonds issued under the Indenture (unless otherwise specified herein or in the applicable Supplemental Indenture for a Series of Bonds) and from which Costs may be paid as set forth herein and in the applicable Supplemental Indenture. Unless otherwise specified in the applicable Supplemental Indenture, a separate Series Account shall be established in the Acquisition and Construction Fund with respect to each Series of Bonds issued hereunder and the proceeds of each Series of Bonds (other than Bonds issued to refund all or a portion of the Bonds) shall be deposited into the corresponding Series Account in the Acquisition and Construction Fund. The amounts in any account of the Acquisition and Construction Fund, until applied as hereinafter provided, shall be held for the security of the Series of Bonds hereunder in respect of which such Series Account was established. Separate subaccounts within any Series Account of the Acquisition and Construction Fund shall be maintained by the Trustee in respect of each Series of Bonds upon written request of the Issuer whenever, in the opinion of the Issuer, it is appropriate to have a separate written accounting in respect of the Costs of any designated portion of a Project. Payments shall be made from the appropriate Series Account of the Acquisition and Construction Fund to pay any unpaid costs of issuance of the Series of Bonds in question, including without limitation, legal, engineering, and consultants' fees and to pay amounts to be reimbursed to the Issuer for Costs advanced, and thereafter to pay Costs of planning, financing, acquisition, construction, reconstruction, equipping and installation of the applicable Project or portion thereof.

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

(i) Subject to Section 9.24 hereof, payments made to the Issuer from the sale, lease or other disposition of the Project or any portion thereof; and

(ii) Subject to Section 9.14 hereof, the balance of insurance proceeds with respect to the loss or destruction of the Project or any portion thereof.

Amounts in the Series Account of the Acquisition and Construction Fund shall be applied to pay the Cost of a Project or a portion thereof, as applicable, pertaining to the Series of Bonds in question; provided, however, that if any amounts remain in the Series Account of the Acquisition and Construction Fund after the Completion Date of the Project or portion thereof pertaining to the Series of Bonds in question, and if such amounts are not reserved for payment of any remaining part of the Cost of such Project or the payment of Deferred Costs, such amounts shall be transferred to the applicable Series Account of the Bond Redemption Fund for application to the redemption of Bonds of the Series to which such proceeds relate, as set forth in Section 6.06 hereof or in the applicable Supplemental Indenture.

(b) *Disbursements.* All payments from the Acquisition and Construction Fund shall be paid in accordance with the provisions of this subsection. Moneys in the Acquisition and Construction Fund shall be disbursed by check, voucher, order, draft, certificate or warrant signed by any one or more officers or employees of the Trustee legally authorized to sign such items or by wire transfer to an account specified by the payee upon satisfaction of the conditions for disbursement set forth in this subsection (b). Before any such payment shall be made, the Issuer shall file with the Trustee a fully executed requisition in the form of **Exhibit D** attached hereto signed by a Responsible Officer and except for payment of costs of issuance, a certificate of the Consulting Engineer signed by a Consulting Engineer also in the form of **Exhibit D** attached hereto and as may be modified by terms of the related Supplemental Indenture. Upon receipt of each such requisition and accompanying certificate, the Trustee shall promptly withdraw from the appropriate Series Account of the Acquisition and Construction Fund and pay to the person, firm or corporation named in such requisition the amount designated in such requisition. All requisitions and certificates received by the Trustee pursuant to this Section 5.01 shall be retained in the possession of the Trustee, subject at all reasonable times to the inspection of the Issuer, the Consulting Engineer, the Owner of any Bonds, and the agents and representatives thereof. The Trustee shall have no duty to investigate the accuracy or validity of the items delivered pursuant to this Section.

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

ARTICLE VI
SPECIAL ASSESSMENTS;
APPLICATION THEREOF TO FUNDS AND ACCOUNTS

SECTION 6.01. SPECIAL ASSESSMENTS; LIEN OF INDENTURE ON PLEDGED REVENUES

. The Issuer hereby covenants that it shall levy Special Assessments, and collect such Special Assessments in accordance with Section 9.04 hereof, unless otherwise provide in a Supplemental Indenture for a Series of Bonds, to the extent and in the amount necessary to pay the Debt Service Requirement on Bonds issued and Outstanding hereunder.

The Issuer shall, within five (5) Business Days of receipt thereof pay to the Trustee for deposit in the Series Account of the Revenue Fund established under Section 6.03 hereof all Special Assessments received by the Issuer from the levy thereof on the District Lands subject to assessments for the payment of the related Series of Bonds; provided, however, that amounts received as prepayments of Special Assessments and any amounts received under a “true-up” or similar agreement shall be deposited directly into the applicable Series Account within the Bond Redemption Fund established hereunder or in any account thereof established pursuant to the applicable Supplemental Indenture. The Issuer shall notify the Trustee in writing at the time of deposit of any amounts received as prepayments of Special Assessments and shall identify the related Series of Bonds.

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

SECTION 6.02. FUNDS AND ACCOUNTS RELATING TO THE BONDS

. The Funds and Accounts specified in this Article VI shall be established under the Master Indenture and each Supplemental Indenture pursuant to which a Series of Bonds is issued for the benefit of the specific Series of Bonds issued pursuant to such Supplemental Indenture and any Series issued on a parity therewith and, unless expressly otherwise provided in said Supplemental Indenture, shall not apply to Bonds Outstanding hereunder issued under any other indenture supplemental hereto. Subject to the foregoing sentence, all moneys,

including, without limitation, proceeds of a Series of Bonds, on deposit to the credit of the Funds and Accounts established hereunder and under a Supplemental Indenture (except for moneys transferred to the Rebate Fund) shall be pledged to the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Series of Bonds issued hereunder and under such Supplemental Indenture, and any Series issued on a parity therewith.

SECTION 6.03. REVENUE FUND

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

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

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

THIRD, beginning on the date set forth in the related Supplemental Indenture, and no later than the Business Day next preceding each May 1 thereafter while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Bonds of such Series subject to mandatory sinking fund redemption on the next succeeding principal payment date, less any amount on deposit in the applicable Series Sinking Fund Account not previously credited;

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

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

SIXTH, subject to the following paragraph the balance of any moneys remaining in a Series Account of the Revenue Fund after making the foregoing deposits shall remain therein.

The Trustee shall within ten (10) Business Days after the last Interest Payment Date in any calendar year, at the written direction of the Issuer, and if no Event of Default is continuing, withdraw any moneys held for the credit of the Revenue Fund which are not otherwise required to be deposited pursuant to this Section or the related supplemental Indenture and deposit such moneys as directed in writing to the credit of the applicable Series Account of the Bond Redemption Fund in accordance with the provisions hereof. Special Assessment prepayments (including any portion thereof comprising interest thereon) pledged to a particular Series of Bonds shall be deposited directly into the applicable Series Account of the Bond Redemption Fund as provided herein.

SECTION 6.04. DEBT SERVICE FUND

. The Trustee is hereby authorized and directed to establish a Debt Service Fund which shall consist of amounts deposited therein by the Trustee and any other amounts the Issuer may pay to the Trustee for deposit therein with respect to the related Series of Bonds. The Debt

Service Fund shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. The Trustee shall establish within the Debt Service Fund pursuant to a Supplemental Indenture, a Series Principal Account, a Series Interest Account and a Series Sinking Fund Account for each Series of Bonds, which accounts shall be separate and apart from all other Funds and Accounts established under the Indenture and from all other moneys of the Trustee.

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

The Trustee shall apply moneys in the Series Sinking Fund Account in the Debt Service Fund for purchase or redemption of the applicable Series of Bonds in amounts and maturities set forth in the Supplemental Indenture. Whenever Bonds of a Series are to be purchased out of such Series Sinking Fund Account, if the Issuer shall notify the Trustee in writing that the Issuer wishes to arrange for such purchase, the Trustee shall comply with the Issuer's arrangements provided they conform to the Indenture.

Except to the extent otherwise provided in a Supplemental Indenture, purchases, Sinking Fund Installments and redemptions out of the Series Sinking Fund Account shall be made as follows:

(a) The Trustee shall apply the amounts required to be transferred to the Series Sinking Fund Account (less any moneys applied to the purchase of Bonds of the applicable Series pursuant to the next sentence hereof) on the Sinking Fund Installment date in each of the years set forth in a Supplemental Indenture to the redemption of Bonds of a Series in the amounts, manner and maturities and on the dates set forth in a Supplemental Indenture, at a Redemption Price of 100% of the principal amount thereof. At the written direction of the Issuer, the Trustee shall apply moneys from time to time available in the applicable Series Sinking Fund Account to the purchase of Bonds of the applicable Series which mature in the aforesaid years, at prices not higher than the principal amount thereof, in lieu of redemption as aforesaid, provided that firm purchase commitments can be made before the notice of redemption would otherwise be required to be given. In the event of purchases at less than the principal amount thereof, the difference between the amount in the Series Sinking Fund Account representing the principal amount of the Bonds so purchased and the purchase price thereof (exclusive of accrued interest) shall be transferred to the related Series Interest Account of the Debt Service Fund.

(b) Accrued interest on purchased or redeemed Bonds of a Series shall be paid from the related Series Interest Account of the Debt Service Fund.

(c) In lieu of paying the Debt Service Requirements necessary to allow any mandatory redemption of Bonds of a Series from the related Series Sinking Fund Account, the Issuer may present to the Trustee Bonds of a Series purchased by the Issuer pursuant to subparagraph (a) above and furnished for such purposes; provided, however, that no Bonds of such Series so purchased shall be credited towards the Debt Service Requirements in respect of the mandatory redemption of Bonds of such Series for which notice of redemption has been given pursuant to Section 8.02 of this Master Indenture. Any Bond so purchased shall be presented to the Trustee for cancellation. In such event, the Debt Service Requirements with respect to the Bonds of a Series for the period in which the purchased Bonds are presented to the Trustee shall, for all purposes hereunder, be reduced by an amount equal to the aggregate principal amount of any such Bonds (and the interest applicable thereto) so presented.

SECTION 6.05. DEBT SERVICE RESERVE FUND

. The Trustee is hereby authorized and directed to establish a Debt Service Reserve Fund and pursuant to a Supplemental Indenture a Series Account for each Series of Bonds issued hereunder. The Debt Service Reserve Fund and each Series Account therein shall be held by the Trustee for the benefit of each related Series of Bonds; provided, however, that notwithstanding anything to the contrary contained in this Master Indenture, the Supplemental Indenture authorizing the issuance of a Series of Bonds may provide that the Debt Service Reserve Fund is not applicable and no account therein shall secure such Series of Bonds. The Debt Service Reserve Fund and each Series Account therein shall constitute an irrevocable trust fund to be applied solely as set forth herein and shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. Unless otherwise provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds, on the date of issuance and delivery of a Series of Bonds an amount of Bond proceeds equal to the Debt Service Reserve Requirement in respect of such Series of Bonds, calculated as of the date of issuance and delivery of such Series of Bonds, shall be deposited in the related Series Account of the Debt Service Reserve Fund. Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds and as long as there exists no default under the Indenture and the amount in the Series Account of the Debt Service Reserve Fund is not reduced below the then applicable Debt Service Reserve Requirement with respect to such Series of Bonds, earnings on investments in the Series Account of the Debt Service Reserve Fund shall be transferred to the related Series Account of the Revenue Fund. Otherwise, earnings on investments in each Series Account of the Debt Service Reserve Fund shall be retained therein until applied as set forth herein. Unless otherwise provided in a Supplemental Indenture, in the event that the amount in a Series Account of the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement with respect to such Series of Bonds due to a decrease in the then applicable Debt Service Reserve Requirement as a result of an optional prepayment by the owner of a lot or parcel of land of a Special Assessment against such lot or parcel, which Special Assessment is pledged for the payment and security of such Series of Bonds, the excess amount shall be transferred from the Series Account of the Debt Service Reserve Fund to the Bond Redemption Fund established for such Series of Bonds, as a credit against the principal amount of the prepayment otherwise required to be made by the owner of such lot or parcel. Unless

otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, and in the event that the amount in a Series Account of the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement with respect to such Series of Bonds due to a decrease in the then applicable Series Account of the Debt Service Reserve Requirement for any other reason, the excess amount shall be transferred from the Series Account of the Debt Service Reserve Fund to the related Series Account of the Revenue Fund.

Whenever for any reason on an Interest Payment Date or principal payment date or mandatory redemption date with respect to a related Series of Bonds secured by a Series Account of the Debt Service Reserve Fund the amount in the related Series Interest Account, the related Series Principal Account or the related Series Sinking Fund Account, as the case may be, is insufficient to pay all amounts payable on such Series of Bonds therefrom on such payment dates, the Trustee shall, without further instructions, transfer the amount of any such deficiency from the related Series Account of the Debt Service Reserve Fund into the related Series Interest Account, the related Series Principal Account and the related Series Sinking Fund Account, as the case may be, with priority to the related Series Interest Account and then, proportionately according to the respective deficiencies therein, to the related Series Principal Account and the related Series Sinking Fund Account, to be applied to pay amounts due with respect to a Series of Bonds secured by the Series Account of the Debt Service Reserve Fund on such date.

Notwithstanding the foregoing, in lieu of the required deposits into the related Series Account of the Debt Service Reserve Fund, the Issuer may cause to be deposited into the Series Account of the Debt Service Reserve Fund a Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit either in lieu of any cash amount required to be deposited therein in connection with the issuance of any Series of Bonds or in substitution for the full amounts then on deposit therein or in an amount equal to the difference between the amount required to be deposited and the sum, if any, then on deposit in the Series Account of the Debt Service Reserve Fund, which Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit shall be payable (upon the giving of notice as required thereunder) on any Interest Payment Date or principal payment date on which a deficiency exists which cannot be remedied by moneys in any other Fund or Account held pursuant to the Indenture and available for such purpose. Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, if any such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit is substituted for moneys on deposit in the Series Account of the Debt Service Reserve Fund, or if at any time there are excess moneys in the Series Account of the Debt Service Reserve Fund, the excess moneys in the Series Account of the Debt Service Reserve Fund shall be transferred to and deposited in the related Series Account of the Revenue Fund. If a disbursement is made from a Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit, the Issuer shall be obligated to either reinstate the maximum limits of such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit immediately following such disbursement or to deposit into the Series Account of the Debt Service Reserve Fund, as provided in the Indenture for restoration of withdrawals from the Series Account of the Debt Service Reserve Fund, funds in the amount of the disbursement made under such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit.

In the event that upon the occurrence of any deficiency in a Series Interest Account, a Series Principal Account or a Series Sinking Fund Account, the Series Account of the Debt Service Reserve Fund is then funded with a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, the Trustee shall, on an Interest Payment Date or principal payment date or mandatory redemption date to which such deficiency relates, draw upon the Debt Service Reserve Letter of Credit or cause to be paid under the Debt Service Reserve Insurance Policy an amount sufficient to remedy such deficiency, in accordance with the terms and provisions of the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy as applicable, and any corresponding reimbursement or other agreement governing the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy; provided, however, that if at the time of such deficiency the Series Account of the Debt Service Reserve Fund is only partially funded with a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, prior to drawing on the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, as applicable, the Trustee shall first apply any cash and securities on deposit in the Series Account of the Debt Service Reserve Fund to remedy the deficiency in accordance with the second paragraph of this Section 6.05 and, if after such application a deficiency still exists, the Trustee shall make up the balance of the deficiency by drawing on the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, as provided in this sentence. Amounts drawn on the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy shall be applied as set forth in the second paragraph of this Section 6.05. Any amounts drawn under a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy shall be reimbursed to the issuer thereof in accordance with the terms and provisions of the reimbursement or other agreement governing such Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy.

SECTION 6.06. BOND REDEMPTION FUND

. The Trustee is hereby authorized and directed to establish a Series Bond Redemption Fund for each Series of Bonds issued hereunder into which shall be deposited, moneys in the amounts and at the times provided in Sections 5.01, 6.01, 6.03, 6.05, 9.08(c) and 9.14(c) of this Master Indenture. The Series Bond Redemption Fund shall constitute an irrevocable trust fund to be applied solely as set forth in the applicable Indenture and shall be held by the Trustee separate and apart from all other Funds and Accounts held under such Indenture and from all other moneys of the Trustee. All earnings on investments held in the Series Bond Redemption Fund shall be retained therein and applied as set forth below.

Moneys in the Series Bond Redemption Fund (including all earnings on investments held in the Series Bond Redemption Fund) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to make such deposits into the Series Rebate Fund, if any, as the Issuer may direct in accordance with an arbitrage rebate agreement, such moneys thereupon to be used solely for the purposes specified in said arbitrage rebate agreement. Any

moneys so transferred from the Series Bond Redemption Fund to the Series Rebate Fund shall thereupon be free from the lien and pledge of the related Indenture;

SECOND, to be used to call for redemption pursuant to clause (b) of Section 8.01 hereof an amount of Bonds of the applicable Series equal to the amount of money transferred to the Series Bond Redemption Fund pursuant to the aforesaid clauses or provisions, as appropriate, for the purpose of such extraordinary mandatory redemption on the dates and at the prices, including interest due thereon, provided in such clauses or provisions, as appropriate; and

THIRD, the remainder to be utilized by the Trustee, at the written direction of a Responsible Officer, to call for redemption, the Bonds of the applicable Series which are subject to optional redemption pursuant to Section 8.01(a) hereof such amount of Bonds (including interest thereon) of the applicable Series as, with the redemption premium, may be practicable; provided, however, that not less than Five Thousand Dollars (\$5,000) principal amount of Bonds of the applicable Series shall be called for redemption at one time.

Any such redemption shall be made in accordance with the provisions of Article VIII of this Master Indenture. The Issuer shall pay all expenses in connection with such redemption.

SECTION 6.07. DRAWINGS ON CREDIT FACILITY

. With respect to Bonds in respect of which there has been issued a Credit Facility, the Trustee shall draw on the Credit Facility in accordance with the provisions for drawing under such Credit Facility, and within the requisite time period, all as set forth in the Credit Facility Agreement or the Supplemental Indenture.

SECTION 6.08. PROCEDURE WHEN FUNDS ARE SUFFICIENT TO PAY ALL BONDS OF A SERIES

. Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, if at any time the moneys held by the Trustee in the Funds and Accounts hereunder and under a Supplemental Indenture and available therefor are sufficient to pay the principal or Redemption Price of, as the case may be, and interest on all Bonds of a Series then Outstanding under such Indenture to maturity or prior redemption, together with any amounts due the Issuer and the Trustee, Paying Agent, Registrar, and Credit Facility Issuer, the Trustee, at the written direction of the Issuer, shall apply the amounts in the Series Funds and Series Accounts to the payment of the aforesaid obligations and the Issuer shall not be required to pay over any further Pledged Revenues with respect to such Series of Bonds unless and until it shall appear that there is a deficiency in the Funds and Accounts held by the Trustee.

SECTION 6.09. CERTAIN MONEYS TO BE HELD FOR SERIES BONDOWNERS ONLY

. Each Series of Bonds issued pursuant to this Master Indenture and a Supplemental Indenture shall be secured by Pledged Revenues, as set forth herein, and otherwise may be secured by such additional Funds and Accounts and other security (including, but not limited to, Credit Facilities) established by the pertinent Supplemental Indenture. Moneys and investments in the various Funds and Accounts created under a Supplemental Indenture expressly and solely for the benefit of the Series of Bonds issued under such Supplemental Indenture shall be held in trust by the Trustee for the benefit of the Holders of, and Credit Facility Issuer with respect to, Bonds of that Series only.

SECTION 6.10. UNCLAIMED MONEYS

In the event any Bond shall not be presented for payment when the principal of such Bond becomes due, either at maturity or at the date fixed for redemption of such Bond or otherwise, if amounts sufficient to pay such Bond have been deposited with the Trustee for the benefit of the Owner of the Bond and have remained unclaimed for three (3) years after the date payment thereof becomes due, such amounts shall, upon the written request of the Issuer, if the Issuer is not at the time to the actual knowledge of the Trustee in default with respect to any covenant in the Indenture or the Bonds contained, be paid to the Issuer; and the Owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer; provided, however, that the Trustee, before making payment to the Issuer, may, at the expense of the Issuer and if directed by the Issuer, cause a notice to be published in an Authorized Newspaper, stating that the money remaining unclaimed will be returned to the Issuer after a specified date.

ARTICLE VII SECURITY FOR AND INVESTMENT OR DEPOSIT OF FUNDS

SECTION 7.01. DEPOSITS AND SECURITY THEREFOR

. Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, all moneys received by the Trustee under a Supplemental Indenture for deposit in any Fund or Account established under the Indenture or such Supplemental Indenture shall be considered trust funds, shall not be subject to lien or attachment, except for the lien created by the Indenture, and shall be deposited with the Trustee, until or unless invested or deposited as provided in Section 7.02 hereof. All deposits of moneys received by the Trustee under the Indenture or such Supplemental Indenture (whether original deposits under this Section 7.01 or deposits or redeposits in time accounts under Section 7.02) shall, to the extent not insured, and to the extent permitted by law, be fully secured as to both principal and interest earned, by Investment Securities of the types set forth in the definition of Investment Securities and the provisions thereof; provided, however, investments of the type specified in (3) of the definition of Investment Securities shall not be required to be so insured or secured. If at any time the Trustee is unwilling to accept such deposits or unable to secure them as provided above, the Trustee may deposit such moneys with any other depository which is authorized to receive them and the deposits of which are insured by the Federal Deposit Insurance Corporation

(including the FDIC Savings Association Insurance Fund). All deposits in any other depository in excess of the amount covered by insurance (whether under this Section 7.01 or Section 7.02 as aforesaid) shall, to the extent permitted by law, be fully secured as to both principal and interest earned, in the same manner as required herein for deposits with the Trustee. Such security shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000.

SECTION 7.02. INVESTMENT OR DEPOSIT OF FUNDS

. Except to the extent otherwise provided in a Supplemental Indenture with respect to a specific Series of Bonds, the Trustee shall, as directed by the Issuer in writing, invest moneys held in any Series Account in the Debt Service Fund and any Series Bond Redemption Fund created under any Supplemental Indenture only in Government Obligations and securities described in subparagraph (3) or (6), of the definition of Investment Securities. Except to the extent otherwise provided in a Supplemental Indenture with respect to a specific Series of Bonds, the Trustee shall, as directed by the Issuer in writing, invest moneys held in any Series Account of the Debt Service Reserve Fund in Investment Securities. All deposits in time accounts shall be subject to withdrawal without penalty and all investments shall mature or be subject to redemption by the holder without penalty, not later than the date when the amounts will foreseeably be needed for purposes set forth herein. All securities securing investments under this Section shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee, as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000. The interest and income received upon such investments and any interest paid by the Trustee or any other depository of any Fund or Account and any profit or loss resulting from the sale of securities shall be added or charged to the Fund or Account for which such investments are made; provided, however, that if the amount in any Fund or Account equals or exceeds the amount required to be on deposit therein, subject to Section 6.05 of this Master Indenture and unless otherwise provided in a Supplemental Indenture with respect to a specific Series of Bonds, any interest and other income so received shall be deposited in the related Series Account of the Revenue Fund. Upon the written request of the Issuer, or on its own initiative whenever payment is to be made out of any Fund or Account, the Trustee shall sell such securities as may be requested to make the payment and restore the proceeds to the Fund or Account in which the securities were held. The Trustee shall not be accountable for any depreciation in the value of any such security or for any loss resulting from the sale thereof, except as provided hereinafter. If net proceeds from the sale of securities held in any Fund or Account shall be less than the amount invested and, as a result, the amount on deposit in such Fund or Account is less than the amount required to be on deposit in such Fund or Account, the amount of such deficit shall be transferred to such Fund or Account from the related Series Account of the Revenue Fund.

Absent specific instructions as aforesaid, all moneys in the Funds and Accounts established under the Indenture shall be held uninvested. The Trustee shall not be liable or

responsible for any loss or failure to achieve the highest rate of return, or entitled to any gain resulting from any investment or sale upon the investment instructions of the Issuer or otherwise, including that set forth in the first sentence of this paragraph. The Trustee may make any investments permitted by the provisions of this Section 7.02 through its own bond department or investment department.

The Trustee may conclusively rely upon the Issuer's written instructions as to both the suitability and legality of all investments directed hereunder or under any Supplemental Indenture. Ratings of investments shall be determined at the time of purchase of such investments and without regard to ratings subcategories. The Trustee shall have no responsibility to monitor the ratings of investments.

SECTION 7.03. VALUATION OF FUNDS

. Except for the assets on deposit in the Debt Service Reserve Fund, the Trustee shall value the assets in each of the Funds and Accounts established hereunder or under any Supplemental Indenture within five (5) Business Days following each November 1 Interest Payment Date. With respect to the assets in the Debt Service Reserve Fund, including all accounts established therein, the Trustee shall value such assets forty-five (45) days prior to each Interest Payment Date, and, in either case, as soon as practicable after each such valuation date (but no later than ten (10) days after each such valuation date) shall provide the Issuer a report of the status of each Fund and Account as of the valuation date. In computing the assets of any Fund or Account, investments and accrued interest thereon shall be deemed a part thereof, subject to Section 7.02 hereof. For the purpose of determining the amount on deposit to the credit of any Fund or Account established hereunder or under any Supplemental Indenture, obligations in which money in such Fund or Account shall have been invested shall be valued at the market value or the amortized cost thereof, whichever is lower, or at the redemption price thereof, to the extent that any such obligation is then redeemable at the option of the holder.

SECTION 7.04. BROKERAGE CONFIRMATIONS

. The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer the right to receive individual confirmations of security transactions at no additional cost, as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer monthly transaction statements that include detail for all investment transactions made by the Issuer hereunder.

SECTION 7.05. PATRIOT ACT REQUIREMENTS OF THE TRUSTEE

. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity, the Trustee will ask for documentation to verify such non-individual person's formation and existence as a legal entity. The Trustee may

also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

**ARTICLE VIII
REDEMPTION AND PURCHASE OF BONDS**

SECTION 8.01. REDEMPTION DATES AND PRICES

. The Bonds may be made subject to optional, mandatory and extraordinary redemption and purchase, either in whole or in part, by the Issuer, prior to maturity in the amounts, at the times and in the manner provided in this Article VIII and in a Supplemental Indenture.

(a) Optional Redemption. Bonds of a Series shall be subject to optional redemption at the written direction of the Issuer, at the times and upon payment of the Redemption Price plus the accrued interest to the redemption date, as provided in a Supplemental Indenture.

(b) Extraordinary Mandatory Redemption in Whole or in Part. Except as otherwise provided in a Supplemental Indenture with respect to Bonds of the related Series, Bonds of a Series are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Interest Payment Date, at an extraordinary mandatory Redemption Price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, (i) from moneys deposited into the related Series Bond Redemption Fund following the payment in full of Special Assessments on any portion of the District Lands in accordance with the provisions of Section 9.08(a) hereof; (ii) from moneys deposited into the related Series Bond Redemption Fund following the payment in full of Special Assessments on any portion of the District Lands as a result of any prepayment of Special Assessments in accordance with Section 9.08(b) hereof; (iii) when sufficient moneys are on deposit in the related Series Funds and Accounts (other than the Rebate Fund and any other Fund or Account expressly pledged to a different Series of Bonds as provided in a Supplemental Indenture with respect to a Series of Bonds or any money required to pay Costs of the Project or Deferred Costs) to pay and redeem all Outstanding Bonds of a Series and accrued interest thereon to the redemption date in addition to all amounts owed to Persons under the Indenture; (iv) unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds from moneys in excess of the Series Account of the Debt Service Reserve Requirement in the Series Account of the Debt Service Reserve Fund transferred to the Series Bond Redemption Fund pursuant to Section 6.05 hereof; (v) from excess moneys transferred from the Series Account of the Revenue Fund to the Series Bond Redemption Fund in accordance with Section 6.03 of this Master Indenture; (vi) from moneys, if any, on deposit in the Series Bond Redemption Fund pursuant to Section 9.14(c) hereof following condemnation or the sale of any portion of the District Lands benefited by a Project to a governmental entity under threat of condemnation by such governmental entity or the damage or destruction of all or substantially all of the Project when such moneys are not to be used pursuant to 9.14(c) to

repair, replace or restore the Project; provided, however, that at least forty-five (45) days prior to such extraordinary mandatory redemption, the Issuer shall cause to be delivered to the Trustee (x) notice setting forth the redemption date and (y) a certificate of the Consulting Engineer confirming that the repair and restoration of the Project would not be economical or would be impracticable; or (vii) from amounts transferred to the Series Account of the Bond Redemption Fund from the Series Account of the Acquisition and Construction Fund in accordance with Section 5.01(c) hereof.

(c) **Mandatory Sinking Fund Redemption.** Bonds of a Series shall be subject to mandatory sinking fund redemption at a Redemption Price of 100% of the principal amount thereof plus accrued interest to the redemption date, in the years and amounts set forth in a Supplemental Indenture.

In connection with such mandatory sinking fund redemption of Bonds, amounts shall be transferred from the applicable Series Account of the Revenue Fund to the Series Sinking Fund Account of the Debt Service Fund, all as more particularly described in Section 6.03 hereof.

The principal amounts of scheduled Sinking Fund Installments shall be reduced as specified by the Issuer in writing or as provided in Section 8.04 hereof by any principal amounts of the Bonds redeemed pursuant to Section 8.01(a) and (b) hereof or purchased pursuant to Section 6.04 hereof.

Upon any purchase or redemption of Bonds other than in accordance with scheduled Sinking Fund Installments, the Issuer shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding principal amount of Bonds of such Series in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Bonds of such Series. The Sinking Fund Installments as so recalculated shall not result in an increase in the aggregate of the Sinking Fund Installments for all Bonds of such Series in any year. In the event of a redemption or purchase occurring less than forty-five (45) days prior to a date on which a Sinking Fund Installment is due, the foregoing recalculation shall not be made to Sinking Fund Installments due in the year in which such redemption or purchase occurs, but shall be made to Sinking Fund Installments for the immediately succeeding and subsequent years.

SECTION 8.02. NOTICE OF REDEMPTION AND OF PURCHASE

. Except where otherwise required by a Supplemental Indenture, when required to redeem or purchase Bonds of a Series under any provision of the Indenture or directed to do so by the Issuer, the Trustee shall cause notice of the redemption, either in whole or in part, to be given by Electronic Means or mailed at least thirty (30) but not more than sixty (60) days prior to the redemption or purchase date to all Owners of Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the fifth (5th) day prior to such mailing), at their registered addresses and also to any Credit Facility Issuer, but failure to mail any such notice or

defect in the notice or in the mailing thereof shall not affect the validity of the redemption or purchase of the Bonds of such Series for which notice was duly mailed in accordance with this Section 8.02. Such notice shall be given in the name of the Issuer, shall be dated, shall set forth the Bonds of such Series Outstanding which shall be called for redemption or purchase and shall include, without limitation, the following additional information:

- (a) the redemption or purchase date;
- (b) the redemption or purchase price;
- (c) CUSIP numbers, to the extent applicable, and any other distinctive numbers and letters;
- (d) if less than all Outstanding Bonds of a Series to be redeemed or purchased, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed or purchased;
- (e) that on the redemption or purchase date the redemption or purchase price will become due and payable upon surrender of each such Bond or portion thereof called for redemption or purchase, and that interest thereon shall cease to accrue from and after said date;
- (f) the place where such Bonds are to be surrendered for payment of the redemption or purchase price, which place of payment shall be a corporate trust office of the Trustee; and
- (g) any condition or conditions to be met prior to the redemption of the Bonds of such Series, including, but not limited to receipt of funds sufficient to accomplish the redemption of the Bonds.

If at the time of mailing of notice of an optional redemption or purchase, the Issuer shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem or purchase all the Bonds called for redemption or purchase, such notice shall state that it is subject to the deposit of the redemption or purchase moneys with the Trustee or Paying Agent, as the case may be, not later than the opening of business on the redemption or purchase date, and such notice shall be of no effect unless such moneys are so deposited.

If the amount of funds deposited with the Trustee for such redemption, or otherwise available, is insufficient to pay the Redemption Price and accrued interest on the Bonds so called for redemption on the redemption date, the Trustee shall redeem and pay on such date an amount of such Bonds for which such funds are sufficient, selecting the Bonds to be redeemed by lot from among all such Bonds called for redemption on such date, and among different maturities of Bonds in the same manner as the initial selection of Bonds to be redeemed, and from and after such redemption date, interest on the Bonds or portions thereof so paid shall cease to accrue and become payable; but interest on any Bonds or portions thereof not so paid shall continue to accrue until paid at the same rate as it would have had such Bonds not been called for redemption.

The notices required to be given by this Section 8.02 shall state that no representation is made as to correctness or accuracy of the CUSIP numbers listed in such notice or printed on the Bonds.

If any required (a) unconditional notice of redemption has been duly given, mailed or waived by the Owners of all Bonds called for redemption or (b) conditional notice of redemption has been so given, mailed or waived and the redemption moneys have been duly deposited with the Trustee or Paying Agent, then in either case, the Bonds called for redemption shall be payable on the redemption date at the applicable Redemption Price plus accrued interest, if any, to the redemption date. Bonds of a Series so called for redemption, for which moneys have been duly deposited with the Trustee, will cease to bear interest on the specified redemption date, shall no longer be secured by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture.

Payment of the Redemption Price, together with accrued interest, shall be made by the Trustee or Paying Agent to or upon the order of the Owners of the Bonds called for redemption upon surrender of such Bonds. The Redemption Price of the Bonds to be redeemed, the expenses of giving notice and any other expenses of redemption, shall be paid out of the Fund from which redemption is to be made or by the Issuer, or as specified in a Supplemental Indenture.

SECTION 8.03. PARTIAL REDEMPTION OF BONDS

. Except to the extent otherwise provided in a Supplemental Indenture, if less than all of a Series of Bonds of a maturity are to be redeemed, the Trustee shall select the particular Bonds or portions of the Bonds to be called for redemption by lot in such reasonable manner as the Trustee in its discretion may determine. In the case of any partial redemption of Bonds of a Series pursuant to Section 8.01(a), such redemption shall be effectuated by redeeming Bonds of such Series of such maturities in such manner as shall be specified by the Issuer in writing, subject to the provisions of Section 8.01 hereof. In the case of any partial redemption of Bonds of a Series pursuant to Section 8.01(b), such redemption shall be effectuated by redeeming Bonds of such Series pro rata among the maturities, treating each date on which a Sinking Fund Installment is due as a separate maturity for such purpose, with the portion to be redeemed from each maturity being equal to the product of the aggregate principal amount of Bonds of such Series to be redeemed multiplied times a fraction the numerator of which is the principal amount of the Series of Bonds of such maturity outstanding immediately prior to the redemption date and the denominator of which is the aggregate principal amount of all Bonds of such Series outstanding immediately prior to the redemption date.

ARTICLE IX COVENANTS OF THE ISSUER

SECTION 9.01. POWER TO ISSUE BONDS AND CREATE LIEN

. The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Bonds, to adopt and execute the Master Indenture and to pledge the Pledged Revenues for the benefit of the Bonds of a Series and any Credit Facility Issuer, except to the extent otherwise provided in a Supplemental Indenture. The Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Bonds of a Series and any Credit Facility Issuer with respect to such Series. The Bonds and the provisions of the Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Bondholders and any Credit Facility Issuer under the Indenture against all claims and demands of all other Persons whomsoever.

SECTION 9.02. PAYMENT OF PRINCIPAL AND INTEREST ON BONDS

. The payment of the principal or Redemption Price of and interest on all of the Bonds of a Series issued under the Indenture shall be secured forthwith equally and ratably by a first lien on and pledge of the Pledged Revenues, except to the extent otherwise provided in a Supplemental Indenture; and Pledged Revenues in an amount sufficient to pay the principal or Redemption Price of and interest on the Bonds of a Series authorized by the Indenture are hereby irrevocably pledged to the payment of the principal or Redemption Price of and interest on the Bonds of a Series authorized under the Indenture, as the same become due and payable. The Issuer shall promptly pay the interest on and the principal or Redemption Price of every Bond issued hereunder according to the terms thereof, but shall be required to make such payment only out of the Pledged Revenues.

THE BONDS AUTHORIZED UNDER THE INDENTURE AND THE OBLIGATION EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER, INCLUDING, WITHOUT LIMITATION, THE CAPITAL IMPROVEMENT PROGRAM OR ANY PORTION THEREOF IN RESPECT OF WHICH ANY SUCH BONDS ARE BEING ISSUED, OR ANY PART THEREOF, BUT SHALL CONSTITUTE A LIEN ONLY ON THE PLEDGED REVENUES AS SET FORTH IN THE INDENTURE. NOTHING IN THE BONDS AUTHORIZED UNDER THE INDENTURE OR IN THE INDENTURE SHALL BE CONSTRUED AS OBLIGATING THE ISSUER TO PAY THE BONDS OR THE REDEMPTION PRICE THEREOF OR THE INTEREST THEREON EXCEPT FROM THE PLEDGED REVENUES, OR AS PLEDGING THE FAITH AND CREDIT OF THE ISSUER, THE COUNTY, OR THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF, OR AS OBLIGATING THE ISSUER, THE COUNTY, OR THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS, DIRECTLY OR INDIRECTLY OR CONTINGENTLY, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR.

SECTION 9.03. SPECIAL ASSESSMENTS; RE-ASSESSMENTS.

(a) Unless otherwise provided by Supplemental Indenture, the Issuer shall levy Special Assessments, and evidence and certify the same to the Tax Collector or shall cause the

Property Appraiser to certify the same on the tax roll to the Tax Collector for collection by the Tax Collector and enforcement by the Tax Collector or the Issuer pursuant to the Act, Chapter 170 or Chapter 197, Florida Statutes, or any successor statutes, as applicable, and Section 9.04 hereof, to the extent and in an amount sufficient to pay Debt Service Requirements on all Outstanding Bonds.

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

SECTION 9.04. METHOD OF COLLECTION

Special Assessments shall be collected by the Issuer in accordance with the provisions of the Act and Chapter 170 or Chapter 197, Florida Statutes, or any successor statutes thereto, as applicable, in accordance with the terms of this Section. Unless otherwise provided by Supplemental Indenture, the Issuer shall use its best efforts to adopt the uniform method for the levy, collection and enforcement of Special Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, or any successor statutes thereto, as soon as practicable, or a comparable alternative method afforded by Section 197.3631, Florida Statutes. If using such uniform method, the Issuer shall use its best efforts to enter into one or more written agreements with the Property Appraiser and the Tax Collector, either individually or jointly (together, the "Property Appraiser and Tax Collector Agreement") in order to effectuate the provisions of this Section. The Issuer shall use its best efforts to ensure that any such Property Appraiser and Tax Collector Agreement remains in effect for at least as long as the final maturity of Bonds Outstanding under the Indenture. To the extent that it is not in the best interests of the Issuer to collect Special Assessments, all or in part, pursuant to the "uniform tax roll collection" method under Chapter 197, Florida Statutes, the Issuer may elect to collect and enforce Special Assessments, all or in part, pursuant to any available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto. The election to collect and enforce Special Assessments in any year pursuant to any one method shall not, to the extent permitted by law, preclude the Issuer from electing to collect and enforce Special Assessments pursuant to any other method permitted by law in any subsequent year.

Notwithstanding the immediately preceding paragraph or any other provision in this Master Indenture to the contrary, upon the occurrence of an Event of Default, if the Trustee, acting at the written direction of the Majority Owners of a Series of Bonds, requests in writing

that the Issuer not use the uniform method, but instead collect and enforce the Special Assessments securing such Series of Bonds pursuant to another available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto, then the Issuer shall collect and enforce said Special Assessments in the manner and pursuant to the method so requested by the Trustee.

SECTION 9.05. DELINQUENT SPECIAL ASSESSMENTS

. Subject to the provisions of Section 9.04 hereof, if the owner of any lot or parcel of land assessed for a particular Project shall be delinquent in the payment of any Special Assessment, then such Special Assessment shall be enforced pursuant to the provisions of Chapter 197, Florida Statutes, or any successor statute thereto, including but not limited to the sale of tax certificates and tax deeds as regards such delinquent Special Assessment. In the event the provisions of Chapter 197, Florida Statutes, and any provisions of the Act with respect to such sale are inapplicable by operation of law, then upon the delinquency of any Special Assessment the Issuer may, to the extent permitted by law, utilize any other method of enforcement as provided by Section 9.04 hereof, including, without limitation, declaring the entire unpaid balance of such Special Assessment to be in default and, at its own expense, cause such delinquent property to be foreclosed, pursuant to the provisions of Section 170.10, Florida Statutes, in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate, or pursuant to the provisions of Chapter 173, Florida Statutes, and Sections 190.026 and 170.10, Florida Statutes, or otherwise as provided by law.

SECTION 9.06. SALE OF TAX CERTIFICATES AND ISSUANCE OF TAX DEEDS; FORECLOSURE OF SPECIAL ASSESSMENT LIENS

. If the Special Assessments levied and collected under the uniform method described in Section 9.04 are delinquent, then the applicable procedures for issuance and sale of tax certificates and tax deeds for nonpayment shall be followed in accordance with Chapter 197, Florida Statutes, and related statutes. Alternatively, if the uniform method of levy and collection is not utilized, and if any property shall be offered for sale for the nonpayment of any Special Assessment, and no person or persons shall purchase the same for an amount at least equal to the full amount due on the Special Assessment (principal, interest, penalties and costs, plus attorneys fees, if any), the property may then be purchased by the Issuer for an amount equal to the balance due on the Special Assessment (principal, interest, penalties and costs, plus attorneys fees, if any) from any legally available funds of the Issuer, and the Issuer shall thereupon receive in its corporate name (or in the name of a special purpose entity) the title to the property for the benefit of the Owners. The Issuer, either through its own actions or actions caused to be done through the Trustee, shall have the power and shall use its best efforts to lease or sell such property and deposit all of the net proceeds of any such lease or sale into the related Series Account of the Revenue Fund. Not less than ten (10) days prior to the filing of any foreclosure action or any sale of tax deed as herein provided, the Issuer shall cause written notice thereof to be mailed to the Owners of the Series of Bonds secured by such delinquent Special Assessments. Not less than thirty (30) days prior to the proposed sale of any lot or tract

of land acquired by foreclosure by the Issuer, it shall give written notice thereof to such Owners. The Issuer, either through its own actions or actions caused to be done through the Trustee, agrees that it shall be required to take the measure provided by law for sale of property acquired by it as trustee for the Owners within thirty (30) days after the receipt of the request therefor signed by the Majority Owners of all Outstanding Bonds of the Series payable from Special Assessments assessed on such property.

SECTION 9.07. BOOKS AND RECORDS WITH RESPECT TO SPECIAL ASSESSMENTS

. In addition to the books and records required to be kept by the Issuer pursuant to the provisions of Section 9.17 hereof, the Issuer shall keep books and records for the collection of the Special Assessments on the District Lands, which such books, records and accounts shall be kept separate and apart from all other books, records and accounts of the Issuer. The District Manager or the District Manager's designee, at the end of each Fiscal Year, shall prepare a written report setting forth the collections received, the number and amount of delinquencies, the proceedings taken to enforce collections and cure delinquencies and an estimate of time for the conclusion of such legal proceedings. A copy of such report shall, upon written request, be mailed by the Issuer to any Owner.

SECTION 9.08. REMOVAL OF SPECIAL ASSESSMENT LIENS

. Except as otherwise provided in a Supplemental Indenture with respect to a related Series of Bonds the following procedures shall apply in connection with the removal of Special Assessment liens.

(a) At any time from the date of levy of Special Assessments on a parcel of District Lands through the date that is thirty (30) days after the related Project has been completed and the Board of the Issuer has adopted a resolution accepting such Project as provided by Section 170.09, Florida Statutes, as amended, any owner of property subject to the Special Assessments may, at its option, require the Issuer to release and extinguish the lien upon its property by virtue of the levy of the Special Assessments that relate to a Series of Bonds by paying to the Issuer the entire amount of such Special Assessment on such property, without interest. The Issuer may require all landowners to waive such right.

(b) At any time subsequent to thirty (30) days after the related Project has been completed and the Board of the Issuer has adopted a resolution accepting such Project as provided by Section 170.09, Florida Statutes, as amended, any owner of property subject to the Special Assessments may, at its option, require the Issuer to release and extinguish the lien upon its property by virtue of the levy of the Special Assessments by paying to the Issuer the entire amount of the Special Assessment, plus accrued interest to the next succeeding Interest Payment Date (or the second succeeding Interest Payment Date if such prepayment is made within forty (40) calendar days before an Interest Payment Date), attributable to the property

subject to Special Assessment owned by such owner. The Issuer may require all landowners to waive such right, or to limit the number of prepayments that may be made.

(c) Upon receipt of a prepayment as described in (a) or (b) above, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such action as is necessary to record in the official records of the County an affidavit or affidavits, as the case may be, executed by an authorized officer of the Issuer, to the effect that the Special Assessment has been paid and that such Special Assessment lien is thereby released and extinguished. Except as otherwise provided by a Supplemental Indenture, upon receipt of any such moneys from the Issuer the Trustee shall immediately deposit the same into the applicable Series Bond Redemption Fund to be applied to the redemption of Bonds in accordance with Section 8.01(b)(i) or (ii) hereof, as the case may be.

SECTION 9.09. DEPOSIT OF SPECIAL ASSESSMENTS

. The Issuer covenants to cause any Special Assessments collected or otherwise received by it to be deposited with the Trustee within five (5) Business Days after receipt thereof for deposit into the applicable Series Account of the Revenue Fund (except that amounts received as prepayments of Special Assessments shall be designated by the Issuer in writing as such upon delivery to the Trustee and shall be deposited directly into the related Series Bond Redemption Fund).

SECTION 9.10. CONSTRUCTION TO BE ON ISSUER LANDS

. Except for certain off-site mitigation, roadway, utility connections, landscaping improvements or additional improvements required by the County pursuant to Interlocal Agreement or other applicable law which are or may be outside the District Lands and are required in order for the District Lands to be developed, the Issuer covenants that no part of a Project will be constructed on, over or under lands other than (i) lands good and marketable title to which is owned by the Issuer or other appropriate entity in fee simple, (ii) lands on, over or under which the Issuer or other appropriate entity shall have acquired perpetual easements for the purposes of the Project, or (iii) lands, including public streets and highways, the right to the use and occupancy of which for such purposes shall be vested in the Issuer or other appropriate entity by law or by valid franchises, licenses, easements or rights of way or other legally effective permissions or approval.

SECTION 9.11. OPERATION, USE AND MAINTENANCE OF PROJECT

. The Issuer shall establish and enforce reasonable rules and regulations governing the use of a Project owned by the Issuer, and the operation thereof, such rules and regulations to be adopted in accordance with the Act, and the Issuer shall operate, use and maintain the Project owned by the Issuer in accordance with the Act and all other applicable federal and State laws, rules and regulations; the Issuer shall maintain and operate the Project owned by the Issuer in an efficient and economical manner, shall at all times maintain the same in good repair and in sound operating condition and shall make all necessary repairs, renewals and replacements.

SECTION 9.12. OBSERVANCE OF AND COMPLIANCE WITH VALID REQUIREMENTS

. The Issuer shall pay all municipal or governmental charges lawfully levied or assessed upon the Capital Improvement Program or any part thereof or upon any revenues when the same shall become due, and the Issuer shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to the Capital Improvement Program. The Issuer shall not, except as otherwise permitted in Section 9.24 of this Article, create or suffer to be created any lien or charge upon any Project or upon Pledged Revenues, except the lien and charge of the Bonds on the Pledged Revenues.

SECTION 9.13. PAYMENT OF OPERATING OR MAINTENANCE COSTS BY STATE OR OTHERS

. The Issuer may permit the United States of America, the State, or any of their agencies, departments or political subdivisions to pay all or any part of the cost of maintaining, repairing and operating any Project out of funds other than Pledged Revenues.

SECTION 9.14. PUBLIC LIABILITY AND PROPERTY DAMAGE INSURANCE; MAINTENANCE OF INSURANCE; USE OF INSURANCE AND CONDEMNATION PROCEEDS.

(a) Except as otherwise provided in subsection (d) of this Section, the Issuer will carry or cause to be carried, in respect of any Project, comprehensive general liability insurance (covering bodily injury and property damage) issued by one or more insurance companies authorized and qualified to do business under the laws of the State, in such amounts as is customary for similar operations, or as is more specifically set forth hereinbelow.

(b) At all times, to the extent commercially available, the Issuer shall maintain a practical insurance program, with reasonable terms, conditions, provisions and costs which the District Manager determines will afford adequate protection against loss caused by damage to or destruction of any component of any Project owned by the Issuer. Limits for such coverage will be subject to the Consulting Engineer's recommendations which are to be provided in an annual report, as required by Section 9.21 hereof. The Issuer shall also, at all times, maintain a practical comprehensive general liability insurance program with respect to such Project for such coverage, with such reasonable terms, conditions, provisions and costs as the District Manager determines will afford adequate protection against bodily injury and property damage.

All insurance policies of the Issuer relating to any Project shall be carried with companies authorized to do business in the State, with a Best rating of no less than "A" as to management and Class "V" as to financial strength; provided, however, that if, in the opinion of the District Manager, adequate insurance protection under reasonable terms, conditions, provisions and cost cannot be purchased from an insurance company with the above-designated ratings, then the District Manager, on behalf of the Issuer, may secure such

insurance protection as the Issuer determines to be in its best interests and otherwise consistent with the Indenture; provided further, however, that the Issuer may act as a self-insurer in accordance with the requirements of subsection (d) hereof. All policies providing the insurance coverages required by this Section shall designate the Issuer as the loss-payee and shall be made payable to the Issuer.

(c) All proceeds received from property damage or destruction insurance and all proceeds received from the condemnation of a Project or any part thereof are hereby pledged by the Issuer as security for the related Series of Bonds and shall be deposited at the option of the Issuer, but subject to the limitations hereinafter described, either (i) into a separate fund to be established by the Trustee for such purpose, and used to remedy the loss, damage or taking for which such proceeds are received, either by repairing the damaged property or replacing the destroyed or taken property, as soon as practicable after the receipt of such proceeds, or (ii) into the related Series Bond Redemption Fund for the purpose of purchasing or redeeming Bonds according to the provisions set forth in Article VIII hereof. The Issuer shall not be entitled to deposit insurance proceeds or condemnation awards into the separate fund described above in clause (i) of this paragraph (and such proceeds and awards shall be deposited directly into the related Series Bond Redemption Fund pursuant to clause (ii) of this paragraph) unless there shall have been filed with the Issuer within a reasonable time after the damage, destruction or condemnation (A) a certificate from the Consulting Engineer that the proceeds of the insurance or condemnation awards deposited into such separate fund, together with other funds available for such purposes, will be sufficient to repair, rebuild, replace or restore such property to substantially the same condition as it was in prior to its damage, destruction or condemnation (taking into consideration any changes, alterations and modifications that the Issuer may desire), (B) an opinion from the Consulting Engineer that the Project can be repaired, rebuilt, replaced or restored within two (2) years following the damage, destruction or condemnation thereof and (C) an opinion of the Consulting Engineer that, in each of the three (3) Fiscal Years following completion of such repair, rebuilding, replacement or restoration, the Issuer will be in compliance with its obligations hereunder. If the certificate described in clause (A) of this paragraph is not rendered because such proceeds or awards are insufficient for such purposes, the Issuer may deposit any other legally available funds in such separate fund in an amount required to enable the Consulting Engineer to render its certificate. If the insurance proceeds or condemnation awards deposited in such separate fund are more than sufficient to repair the damaged property or to replace the destroyed or taken property, the balance thereof remaining shall be deposited to the credit of the related Series Account in the Revenue Fund.

(d) The Issuer shall be entitled to provide all or a portion of the insurance coverage required by subsections (a) and (b) of this Section through Qualified Self Insurance, provided that the requirements hereinafter set forth in this subsection (d) are satisfied. "Qualified Self Insurance" means insurance maintained through a program of self insurance or insurance maintained with a company or association in which the Issuer has a material interest or of which the Issuer has control, either singly or with others.

Prior to participation in any plan of Qualified Self Insurance not currently in effect, the Issuer shall obtain from the District Manager an evaluation of the proposed plan together with an opinion to the effect that (A) the proposed Qualified Self Insurance plan will provide the coverage required by subsections (a) and (b) of this Section, and (B) the proposed Qualified Self Insurance plan provides for the creation of actuarially sound reserves. The Trustee shall have no duty to review such evaluation.

Each plan of Qualified Self Insurance shall be in written form, shall provide that upon the termination of such plan reserves will be established or insurance acquired in amounts adequate to cover any potential retained liability in respect of the period of self insurance, and shall be reviewed annually by the District Manager or registered actuary who shall deliver to the Issuer a report on the adequacy of the reserves established thereunder in light of claims made. If the District Manager or registered actuary determines that such reserves are inadequate in light of the claims made, he shall make recommendations as to the amount of reserves that should be established and maintained, and the Issuer shall comply with such recommendations. The Trustee shall be under no duty to evaluate the accuracy or sufficiency of any Qualified Self Insurance plan nor determine compliance by the Issuer with the requirements of this Section.

(e) Copies of all recommendations and approvals made by the Consulting Engineer under the provisions of this Section shall be filed with the District Manager.

Within the first six (6) months of each Fiscal Year, the District Manager shall prepare a complete report of the status of the insurance coverages relating to all Projects, such report to include, without being limited thereto, a schedule of all insurance policies required by the Indenture which are then in effect, stating with respect to each policy the name of the insurer, the amount, number and expiration date, and the hazards and the risks covered thereby. The Issuer shall maintain a copy of such report and shall, upon written request, provide a copy to any Owner.

SECTION 9.15. COLLECTION OF INSURANCE PROCEEDS

. Copies of all insurance policies referred to in Section 9.14 of this Article shall be available at the offices of the Issuer at all reasonable times to the inspection of the Holders of \$1,000,000 or more in aggregate principal amount of the related Series of Bonds and their agents and representatives duly authorized in writing. The Issuer covenants that it will take such action as may be reasonably necessary to demand, collect and sue for any insurance money which may become due and payable under any policy of insurance required under the Indenture, whether such policy is payable to the Issuer or to the Trustee. The Trustee is hereby authorized in its own name to demand, collect, sue and receive any insurance money which may become due and payable under any policies payable to it, subject to the payment of its and its counsel's fees and expenses and indemnification to its satisfaction.

Any appraisal or adjustment of any loss or damage under any policy of insurance required under the Indenture, whether such policy is payable to the Issuer or to the Trustee, and any settlement or payment of indemnity under any such policy which may be agreed upon by the Issuer and any insurer shall be evidenced by a certificate, signed by the District Manager approved by the Consulting Engineer. The Trustee shall in no way be liable or responsible for the collection of insurance moneys in case of any loss or damage.

SECTION 9.16. USE OF REVENUES FOR AUTHORIZED PURPOSES ONLY

. None of the Pledged Revenues shall be used for any purpose other than as provided in the Indenture and no contract or contracts shall be entered into or any action taken by the Issuer or the Trustee which will be inconsistent with the provisions of the Indenture.

SECTION 9.17. BOOKS, RECORDS AND ANNUAL REPORTS

. The Issuer shall keep proper books of record and account in accordance with Generally Accepted Governmental Accounting Principles (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to any Project, and which, together with all other books and records of the Issuer, including, without limitation, insurance policies, relating to any Project, shall at all times be subject during regular business hours to the inspection of the Trustee.

SECTION 9.18. OBSERVANCE OF ACCOUNTING STANDARDS

. The Issuer covenants that all the accounts and records of the Issuer relating to any Project will be kept according to Generally Accepted Governmental Accounting Principles consistently applied and consistent with the provisions of the Indenture.

SECTION 9.19. EMPLOYMENT OF CERTIFIED PUBLIC ACCOUNTANT

. The Issuer shall employ or cause to be employed as required a Certified Public Accountant to perform accounting and auditing functions and duties required by the Act and the Indenture.

SECTION 9.20. ESTABLISHMENT OF FISCAL YEAR, ANNUAL BUDGET

. The Issuer has established a Fiscal Year beginning October 1 of each year and ending September 30 of the following year. The reports and budget of the Issuer shall relate to such Fiscal Year unless and until, in accordance with applicable law, a different Fiscal Year is established by Certified Resolution of the Issuer.

On or before the first day of each Fiscal Year the Issuer shall adopt a final Annual Budget for such Fiscal Year for the payment of anticipated operating and maintenance expenses and shall supply a copy of such budget promptly upon the approval thereof to any Bondholders who shall have so requested in writing and shall have filed their names and

addresses with the Secretary of the Board for such purpose. If for any reason the Issuer shall not have adopted the Annual Budget on or before the first day of any Fiscal Year, the Annual Budget for the preceding Fiscal Year shall, until the adoption of the new Annual Budget, be deemed in force for the ensuing Fiscal Year. The Issuer may at any time adopt an amended or supplemental Annual Budget for the remainder of the current Fiscal Year, and when such amended or supplemental Annual Budget is approved it shall be treated as the official Annual Budget under the Indenture. Copies of such amended or supplemental Annual Budget shall be mailed by the Issuer to any Bondholders who shall have so requested in writing and shall have filed their names and addresses with the Secretary of the Board for such purpose.

SECTION 9.21. EMPLOYMENT OF CONSULTING ENGINEER; CONSULTING ENGINEER'S REPORT.

(a) The Issuer shall, for the purpose of performing and carrying out the duties imposed on the Consulting Engineer by the Indenture, employ one or more Independent engineers or engineering firms or corporations having a statewide and favorable repute for skill and experience in such work.

(b) The Issuer shall cause the Consulting Engineer to make an inspection of the portions of the Capital Improvement Program owned by the Issuer at least once in each Fiscal Year and, on or before the first day of July in each Fiscal Year, to submit to the Board a report setting forth (i) its findings as to whether such portions of the Capital Improvement Program owned by the Issuer have been maintained in good repair, working order and condition, and (ii) its recommendations as to:

(1) the proper maintenance, repair and operation of any Project owned by the Issuer during the ensuing Fiscal Year and an estimate of the amount of money necessary for such purposes; and

(2) the insurance to be carried under the provisions of Section 9.14 hereof and the amount that should be set aside monthly for the purpose of paying insurance premiums which fall due less often than monthly.

Promptly after the receipt of such reports by the Issuer, copies thereof shall be mailed by the Issuer to all Bondholders who shall have filed their names and addresses with the Secretary of the Board for such purpose.

SECTION 9.22. AUDIT REPORTS

. The Issuer covenants that, no later than the date required by State law, which is currently nine (9) months after the end of each Fiscal Year, it will cause an audit to be made by a Certified Public Accountant covering all receipts and moneys then on deposit with or in the name of the Trustee or the Issuer and any security held therefor and any investments thereof. Copies of such audit reports shall be filed with the District Manager and the Secretary of the Board, and mailed by said Secretary to the Consulting Engineer and to all Bondholders who

shall have filed their names and addresses with him for such purpose. If the material required to be in such audit also appears in the annual report of the Issuer provided for in Section 9.17 hereof in a manner that can be readily identified, then the filing of a copy of such annual audit shall satisfy the requirement of this Section.

SECTION 9.23. [RESERVED]

SECTION 9.24. COVENANT AGAINST SALE OR ENCUMBRANCE; EXCEPTIONS

. Subject to Section 9.28 hereof, the Issuer covenants that, (a) except for those improvements comprising the Capital Improvement Program that are to be conveyed by the Issuer to the County, the State, or another governmental entity and (b) except as in this Section permitted, it will not sell, lease or otherwise dispose of or encumber the Capital Improvement Program, or any part thereof. The Issuer may, however, from time to time, sell any machinery, fixtures, apparatus, tools, instruments or other movable property acquired by it from the proceeds of a Series of Bonds or from Pledged Revenues if the District Manager shall determine, with the approval of the Consulting Engineer, that such items are no longer needed or are no longer useful in connection with the construction, maintenance and operation of the Project financed with a Series of Bonds, and the proceeds thereof shall be applied to the replacement of the properties so sold or disposed of or, at the written direction of the Issuer shall be deposited to the credit of the related Series Account in the Revenue Fund.

Upon any sale of property relating to a Project, the aggregate of which in any thirty (30) day period exceeds Fifty Thousand Dollars (\$50,000) under the provisions of this Section, the Issuer shall provide written notice to the Trustee of the property so sold and the amount and disposition of the proceeds thereof.

The Issuer may lease or grant easements, franchises or concessions for the use of any part of the Capital Improvement Program not incompatible with the maintenance and operation thereof, if the Consulting Engineer shall approve such lease, easement, franchise or concession in writing, and the net proceeds of any such lease, easement, franchise or concession (after the making of provision for payment from said proceeds of all costs incurred in financing, constructing, operating, maintaining or repairing such leases, easements, franchises or concessions) shall be deposited as received to the credit of related Series Account in the Revenue Fund.

SECTION 9.25. FIDELITY BONDS

. Every officer, agent or employee of the Issuer having custody or control of any of the Pledged Revenues shall be bonded by a responsible corporate surety in an amount not less than the greatest amount reasonably anticipated to be within the custody or control of such officer, agent or employee at one time. The premiums on such surety bonds shall be paid by the Issuer as an expense of operation and maintenance of a Project.

SECTION 9.26. NO LOSS OF LIEN ON PLEDGED REVENUES

. The Issuer shall not do or omit to do, or suffer to be done or omit to be done, any matter or thing whatsoever whereby the lien of the Bonds on the Pledged Revenues or any part thereof, or the priority thereof, would be lost or impaired; provided, however, that this Section shall not prohibit the Trustee from transferring moneys to the Rebate Fund held by the Trustee under any arbitrage rebate agreement.

SECTION 9.27. COMPLIANCE WITH OTHER CONTRACTS AND AGREEMENTS

. The Issuer shall comply with and abide by all of the terms and conditions of any and all contracts and agreements which the Issuer enters into in connection with the Capital Improvement Program and the issuance of the Bonds.

SECTION 9.28. ISSUANCE OF ADDITIONAL OBLIGATIONS

. The Issuer shall not issue any obligations other than the Bonds payable from Pledged Revenues, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge, payable from Pledged Revenues except as provided in Section 6.01 hereof with respect to the reimbursement due any Credit Facility Issuer.

SECTION 9.29. EXTENSION OF TIME FOR PAYMENT OF INTEREST PROHIBITED

. The Issuer shall not directly or indirectly extend or assent to an extension of time for payment of any claim for interest on any of the Bonds and shall not directly or indirectly be a party to or approve any arrangement therefor by purchasing or funding or in any manner keeping alive any such claim for interest; no claim for interest which in any way, at or after maturity, shall have been transferred or pledged apart from the Bonds to which it relates or which shall in any manner have been kept alive after maturity by extension or by purchase thereof by or on behalf of the Issuer, shall be entitled, in case of a default hereunder, to any benefit or security under the Indenture except after the prior payment in full of the principal of all Bonds and claims for interest appertaining thereto not so transferred, pledged, kept alive or extended.

SECTION 9.30. FURTHER ASSURANCES

. The Issuer shall not enter into any contract or take any action by which the rights of the Trustee or the Bondholders may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of the Indenture.

SECTION 9.31. USE OF BOND PROCEEDS TO COMPLY WITH INTERNAL REVENUE CODE

. The Issuer covenants to the Holders of the Bonds that it will not make or direct the making of any investment or other use of the proceeds of any Bonds issued hereunder which would cause such Bonds to be "arbitrage bonds" as that term is defined in Section 148 (or any successor provision thereto) of the Code or "private activity bonds" as that term is defined in Section 141 (or any successor provision thereto) of the Code, and that it will comply with the requirements of such Code section and related regulations throughout the term of such Bonds. The Issuer hereby further covenants and agrees to comply with the procedures and covenants contained in any arbitrage rebate agreement executed in connection with the issuance of each Series of Bonds for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on each Series of Bonds.

SECTION 9.32. CORPORATE EXISTENCE AND MAINTENANCE OF PROPERTIES

. For so long as any Bonds are Outstanding hereunder, unless otherwise provided by the Act, the Issuer shall maintain its corporate existence as a local unit of special purpose government under the Act and shall provide for or otherwise require the Capital Improvement Program, and all parts thereof owned by the Issuer to be (a) continuously operated, repaired, improved and maintained as shall be necessary to provide adequate service to the lands benefited thereby; and (b) in compliance with all valid and applicable laws, acts, rules, regulations, permits, orders, requirements and directions of any competent public authority.

SECTION 9.33. CONTINUING DISCLOSURE

. The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of a Continuing Disclosure Agreement. Notwithstanding any other provision of the Indenture, failure of the Issuer or the Developer(s) (if obligated pursuant to a Continuing Disclosure Agreement) to comply with such Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of any participating underwriter or Majority Owners of a Series of Bonds and receipt of indemnity to its satisfaction, shall) or any Holder of the Bonds or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Section 9.33.

SECTION 9.34. PROVISIONS RELATING TO BANKRUPTCY OR INSOLVENCY OF LANDOWNER.

The provisions of this Section 9.34 shall apply both before and after the commencement, whether voluntary or involuntary, or any case, proceeding or other action by or against any owner of any tax parcel subject to at least five percent (5%) of the Special Assessments securing a Series of Bonds (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"), except where such tax parcel shall be homestead property. For as long as any Series of Bonds remain outstanding, in any Proceeding involving the Issuer,

any Insolvent Taxpayer, any Series of Bonds or any Special Assessments securing a Series of Bonds, the Issuer shall be obligated to act in accordance with direction from the Trustee with regard to all matters directly or indirectly affecting the Series of Bonds or for as long as any such Series of Bonds remain Outstanding.

The Issuer further acknowledges and agrees that, although a Series of Bonds may be issued by the Issuer, the Owners of the Series of Bonds are categorically a party with a financial stake in the transaction and, consequently, a party with a vested interest in a Proceeding. In the event of any Proceeding involving any Insolvent Taxpayer:

(a) the Issuer hereby agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Special Assessments securing a Series of Bonds, such Series of Bonds or any rights of the Trustee under the Indenture that is inconsistent with any direction from the Trustee; provided, however, that the Trustee shall be deemed to have consented, on behalf of the Majority Owners of Outstanding Bonds of a Series, to the proposed action if the Issuer does not receive a written response from the Trustee within forty-five (45) days following request for consent;

(b) the Trustee shall have the right, but is not obligated to (unless directed by the Majority Owners of Outstanding Bonds of a Series and receipt by Trustee of indemnity satisfactory to the Trustee), (i) vote in any such Proceeding any and all claims of the Issuer, except for any claims the Issuer may have related to the Issuer's operation and maintenance assessments or other claims unrelated to the Special Assessments securing a Series of Bonds or such Series of Bonds and (ii) file any motion, pleading, plan or objection in any such Proceeding on behalf of the Issuer, except for any claims the Issuer may have related to the Issuer's operation and maintenance assessments or other claims unrelated to the Special Assessments securing a Series of Bonds or such Series of Bonds, including without limitation, motions seeking relief from the automatic stay, dismissal of the Proceeding, valuation of the property belonging to the Insolvent Taxpayer, termination of exclusivity, and objections to disclosure statements, plans of liquidation or reorganization, and motions for use of cash collateral, seeking approval of sales or post-petition financing; and, if the Trustee chooses to exercise any such rights (or is directed in writing by the Majority Owners of Outstanding Bonds of a Series and receipt by Trustee of indemnity satisfactory to the Trustee), the Issuer shall be deemed to have appointed the Trustee as its agent and granted to the Trustee an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to the Issuer in connection with any Proceeding of any Insolvent Taxpayer, including, without limitation, the right to file and/or prosecute any claims, to propose and prosecute a plan, to vote to accept or reject a plan, and to make any election under Section 1111(b) of the United States Bankruptcy Code; and

(c) the Issuer shall not challenge the validity or amount of any claim submitted in such Proceeding by the Trustee in good faith or any valuations of the lands owned by any

Insolvent Taxpayer submitted by the Trustee in good faith in such Proceeding or take any other action in such Proceeding, which is adverse to the Trustee's enforcement of the Issuer claim with respect to the Special Assessments securing a Series of Bonds or receipt of adequate protection (as that term is defined in the United States Bankruptcy Code).

Without limiting the generality of the foregoing, the Issuer agrees that the Trustee shall have the right (i) to file a proof of claim with respect to the Special Assessments securing a Series of Bonds, (ii) to deliver to the Issuer a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) to defend any objection filed to said proof of claim.

Notwithstanding the provisions of paragraph (a) above, nothing in this Section 9.34 shall preclude the Issuer from becoming a party to a Proceeding in order to enforce a claim for operation and maintenance assessments, and the Issuer 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 Issuer 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 directions with respect to the Special Assessments securing a Series of Bonds whether such claim is pursued by the Issuer or the Trustee.

ARTICLE X EVENTS OF DEFAULT AND REMEDIES

SECTION 10.01. EVENTS OF DEFAULT AND REMEDIES

. Except to the extent otherwise provided in the Supplemental Indenture authorizing a Series of Bonds, events of default and remedies with respect to each Series of Bonds shall be as set forth in this Master Indenture.

SECTION 10.02. EVENTS OF DEFAULT DEFINED

. Each of the following shall be an "Event of Default" under the Indenture, with respect to a Series of Bonds:

(a) if payment of any installment of interest on any Bond of such Series is not made when it becomes due and payable; or

(b) if payment of the principal or Redemption Price of any Bond of such Series is not made when it becomes due and payable at maturity or upon call or presentation for redemption; or

(c) if the Issuer, for any reason, fails to, or is rendered incapable of fulfilling its obligations under the Indenture or under the Act; or

(d) if the Issuer proposes or makes an assignment for the benefit of creditors or enters into a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the Issuer or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the Issuer and if such is not vacated, dismissed or stayed on appeal within ninety (90) days; or

(e) if the Issuer defaults in the due and punctual performance of any other covenant in the Indenture or in any Bond of such Series issued pursuant to the Indenture and such default continues for sixty (60) days after written notice thereof that requires the same to be remedied shall have been given to the Issuer by the Trustee, which notice may be given by the Trustee in its discretion and which notice shall be given by the Trustee at the written request of the Majority Owners of the Outstanding Bonds of such Series; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the Issuer shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion;

(f) written notice shall have been received by the Trustee from a Credit Facility Issuer securing Bonds of such Series that an event of default has occurred under the Credit Facility Agreement, or there shall have been a failure by said Credit Facility Issuer to make said Credit Facility available or to reinstate the interest component of said Credit Facility in accordance with the terms of said Credit Facility, to the extent said notice or failure is established as an event of default under the terms of a Supplemental Indenture;

(g) The Trustee withdraws more than twenty-five percent (25%) of the available funds from a Series Account of the Debt Service Reserve Fund established to pay Debt Service Requirements for a Series of Bonds and such amount is not replenished within twelve (12) months of the date of withdrawal (including from collections of delinquent Special Assessments); or

(h) More than twenty-five percent (25%) of the operation and maintenance assessments levied and collected directly by the Issuer on District Lands subject to the Special Assessments securing such Series of Bonds are not paid within ninety (90) days of the date such are due and payable (“Delinquent Direct Billed Operation and Maintenance Assessments”).

An Event of Default with respect to a Series of Bonds shall not be an Event of Default as to any other Series of Bonds, unless otherwise provided in a Supplemental Indenture.

SECTION 10.03. NO ACCELERATION

. No Series of Bonds issued under this Master Indenture shall be subject to acceleration.

SECTION 10.04. LEGAL PROCEEDINGS BY TRUSTEE.

If any Event of Default with respect to a Series of Bonds has occurred and is continuing, the Trustee, in its discretion may, and upon the written request of the Majority Owners of the Outstanding Bonds of such Series and receipt of indemnity to its satisfaction shall, in its capacity as Trustee:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders of the Bonds of such Series, including, without limitation, the right to require the Issuer to carry out any agreements with, or for the benefit of, the Bondholders of the Bonds of such Series and to perform its or their duties under the Act;

(b) bring suit upon the Series of Bonds;

(c) by action or suit in equity require the Issuer to account as if it were the trustee of an express trust for the Holders of the Bonds of such Series;

(d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds of such Series; and

(e) by other proceeding in law or equity, exercise all rights and remedies provided for by any other document or instrument securing such Series of Bonds.

SECTION 10.05. DISCONTINUANCE OF PROCEEDINGS BY TRUSTEE

. If any proceeding taken by the Trustee on account of any Event of Default is discontinued or is determined adversely to the Trustee, the Issuer, the Trustee, the Paying Agent and the Bondholders shall be restored to their former positions and rights hereunder as though no such proceeding had been taken.

SECTION 10.06. BONDHOLDERS MAY DIRECT PROCEEDINGS

. The Majority Owners of the Outstanding Bonds of a Series then subject to remedial proceedings under this Article X shall have the right to direct the method and place of conducting all remedial proceedings by the Trustee under the Indenture, provided that such directions shall not be otherwise than in accordance with law or the provisions of the Indenture.

SECTION 10.07. LIMITATIONS ON ACTIONS BY BONDHOLDERS

. No Bondholder shall have any right to pursue any remedy hereunder unless (a) the Trustee shall have been given written notice of an Event of Default, (b) the Majority Owners of the Outstanding Bonds of the applicable Series shall have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names, (c) the Trustee shall have been offered indemnity satisfactory to it against costs,

expenses and liabilities (including reasonable counsel fees, costs and expenses), and (d) the Trustee shall have failed to comply with such request within a reasonable time.

SECTION 10.08. TRUSTEE MAY ENFORCE RIGHTS WITHOUT POSSESSION OF BONDS

. All rights under the Indenture and a Series of Bonds may be enforced by the Trustee without the possession of any of the Bonds of such Series or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the Holders of the Bonds of such Series.

SECTION 10.09. REMEDIES NOT EXCLUSIVE

. Except as limited under Section 15.01 of this Master Indenture, no remedy contained in the Indenture is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 10.10. DELAYS AND OMISSIONS NOT TO IMPAIR RIGHTS

. No delay or omission in respect of exercising any right or power accruing upon any Event of Default shall impair such right or power or be a waiver of such Event of Default, and every remedy given by this Article X may be exercised from time to time and as often as may be deemed expedient.

SECTION 10.11. APPLICATION OF MONEYS IN EVENT OF DEFAULT

. Any moneys received by the Trustee or the Paying Agent, as the case may be, in connection with any proceedings brought under this Article X with respect to a Series of Bonds shall be applied in the following priority:

(a) to the payment of the costs of the Trustee, the Registrar and Paying Agent incurred in connection with actions taken under this Article X with respect to such Series of Bonds, including reasonable counsel fees, costs and expenses and any disbursements of the Trustee, the Registrar and the Paying Agent and payment of unpaid fees and expenses owed to the Trustee, the Registrar and the Paying Agent.

(b) unless the principal of all the Bonds of such Series shall have become due and payable:

FIRST: to payment of all installments of interest then due on the Bonds of such Series in the order of maturity of such installments of interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons

entitled thereto, without any preference or priority of one installment of interest over any other installment; and

SECOND: to payment to the persons entitled thereto of the unpaid principal or Redemption Price of any of the Bonds of such Series which shall have become due in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full the principal or Redemption Price coming due on such Bonds on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any preference or priority of one such Bond of a Series over another or of any installment of interest over another.

(c) If the principal of all Bonds of a Series shall have become due and payable, to the payment of principal or Redemption Price (as the case may be) and interest then owing on the Bonds of such Series and in case such moneys shall be insufficient to pay the same in full, then to the payment of principal or Redemption Price and interest ratably, without preference or priority of one Bond of such Series over another or of any installment of interest over any other installment of interest.

Any surplus remaining after the payments described above shall be paid to the Issuer or to the Person lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

For purposes of the application of moneys described above, to the extent payments of principal of and interest on a Series of Bonds shall have been made under a Credit Facility relating thereto, the Credit Facility Issuer shall be entitled to moneys in the related Series Accounts in the Debt Service Fund in accordance with the agreement pursuant to which such Credit Facility has been issued (but subject to subsection (a) hereof and Section 11.04 hereof) and the Certified Resolution of the Issuer authorizing the issuance of such Bonds to which such Credit Facility relates.

SECTION 10.12. TRUSTEE'S RIGHT TO RECEIVER; COMPLIANCE WITH ACT

. The Trustee shall be entitled as of right to the appointment of a receiver and the Trustee, the Bondholders and any receiver so appointed shall have such rights and powers and be subject to such limitations and restrictions as are contained in the Act and other applicable law of the State. When the Trustee incurs costs or expenses (including legal fees, costs and expenses) or renders services after the occurrence of an Event of Default, such costs and expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

SECTION 10.13. TRUSTEE AND BONDHOLDERS ENTITLED TO ALL REMEDIES UNDER ACT

. It is the purpose of this Article to provide such remedies to the Trustee and Bondholders as may be lawfully granted under the provisions of the Act and other applicable laws of the State; if any remedy herein granted shall be held unlawful, the Trustee and the Bondholders shall nevertheless be entitled to every other remedy provided by the Act and other applicable laws of the State. It is further intended that, insofar as lawfully possible, the provisions of this Article X shall apply to and be binding upon any receiver appointed in accordance with Section 10.12 hereof.

SECTION 10.14. CREDIT FACILITY ISSUER'S RIGHTS UPON EVENTS OF DEFAULT

. Anything in the Indenture to the contrary notwithstanding, if any Event of Default has occurred and is continuing while a Credit Facility securing all or a portion of such Bonds of a Series Outstanding is in effect, the Credit Facility Issuer shall have the right, in lieu of the Owners of the Series of Bonds (or portion thereof) secured by said Credit Facility, by an instrument in writing, executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under the Indenture, or exercising any trust or power conferred on the Trustee by the Indenture. Said direction shall be controlling to the extent the direction of Owners of the Series of Bonds (or portion thereof) secured by said Credit Facility would have been controlling under this Article. If the Credit Facility Issuer shall be in default in the performance of its obligations under the Credit Facility, said Credit Facility Issuer shall have no rights under this Section.

SECTION 10.15. ISSUER COVENANTS AFTER EVENT OF DEFAULT.

The Issuer covenants and agrees that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of this Master Indenture and the applicable Supplemental Indenture, the provisions for the collection of delinquent Special Assessments, the provisions for the foreclosure of liens of delinquent Special Assessments, and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the written direction of, and on behalf of, the Majority Owners, from time to time, of the applicable Series of Bonds. Notwithstanding anything to the contrary herein, and unless otherwise directed by the Majority Owners and allowed pursuant to Federal or State law, the Issuer acknowledges and agrees that (i) upon failure of any property owner to pay an installment of Special Assessments collected directly by the Issuer when due, that the entire Special Assessments related to the applicable Series of Bonds on the tax parcel as to which such delinquent Special Assessment pertains, with interest and penalties thereon, shall immediately become due and payable and the Issuer shall cause to be commenced the necessary legal proceedings for the foreclosure of liens of delinquent Special Assessments related to the applicable Series of Bonds with respect to such tax parcel, 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 law in suits to foreclose mortgages. Notwithstanding anything to the contrary herein, the Issuer shall be entitled to first recover from any foreclosure before such proceeds are applied to the payment of principal or interest on

the Bonds, all fees and costs expended in connection with such foreclosure, regardless of whether such fees and costs are included as part of the Special Assessments, as defined herein.

**ARTICLE XI
THE TRUSTEE; THE PAYING AGENT AND REGISTRAR**

SECTION 11.01. ACCEPTANCE OF TRUST

. The Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article XI, to all of which the parties hereto the Bondholders and any Credit Facility Issuer agree. The Trustee shall act as Trustee under this Master Indenture. Subject to the provisions of Section 11.03 hereof, the Trustee shall have only such duties as are expressly set forth herein, and no duties shall be implied on the part of the Trustee.

SECTION 11.02. NO RESPONSIBILITY FOR RECITALS

. The recitals, statements and representations in this Master Indenture or in the Bonds, save only the Trustee's Certificate of Authentication, if any, upon the Bonds, have been made by the Issuer and not by the Trustee and the Trustee shall be under no responsibility for the correctness thereof.

SECTION 11.03. TRUSTEE MAY ACT THROUGH AGENTS; ANSWERABLE ONLY FOR WILLFUL MISCONDUCT OR NEGLIGENCE

. The Trustee may execute any powers hereunder and perform any duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of Counsel concerning all questions hereunder and the advice of such Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and reliance thereon. The Trustee shall not be answerable for the default or misconduct of any attorney or agent selected by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under the Indenture nor for anything whatever in connection with the trust hereunder, except only its own negligence or willful misconduct or breach of its obligations hereunder.

The Trustee shall not be accountable for the use or application of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee so long as it does so in accordance with the provisions of this Master Indenture. The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds. None of the provisions of this Master Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it. The Trustee shall

not be responsible or liable for any failure or delay in the performance of its obligations under this Master Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

SECTION 11.04. COMPENSATION AND INDEMNITY

. The Issuer shall pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, and shall, to the extent permitted by law and specifically without waiving its sovereign immunity protection, indemnify and hold the Trustee harmless against any liabilities which it may incur in the proper exercise and performance of its powers and duties hereunder, except with respect to its own willful misconduct, negligence or breach of its obligations hereunder. If the Issuer defaults in respect of the foregoing obligations, the Trustee may deduct the amount owing to it from any moneys held by the Trustee, or coming into its hands and payable to the Issuer (but exclusive of the Rebate Fund and moneys from a drawing on any Credit Facility), which right of payment shall be prior to the right of the Holders of the Bonds. The provision for indemnity shall survive the termination of the Indenture and, as to any Trustee, its removal or resignation as Trustee. Notwithstanding anything herein to the contrary, no provision of this Master Indenture shall require the Trustee to expend or risk its own funds.

SECTION 11.05. NO DUTY TO RENEW INSURANCE

. The Trustee shall be under no duty to effect or to renew any insurance policy nor shall it incur any liability for the failure of the Issuer to require or effect or renew insurance or to report or file claims of loss thereunder.

SECTION 11.06. NOTICE OF DEFAULT; RIGHT TO INVESTIGATE

. The Trustee shall give written notice by Electronic Means or first-class mail to registered Holders of a Series of Bonds of all defaults known to the Trustee, unless such defaults have been remedied (the term "defaults" for purposes of this Section and Section 11.07 being defined to include the events specified as "Events of Default" in Article X hereof, but not including any notice or periods of grace provided for therein); provided that, except in the case of a default in payment of principal or interest or Redemption Price, the Trustee may withhold such notice so long as it in good faith determines that such withholding is in the interest of the Bondholders. The Trustee shall not be deemed to have notice of any default other than a payment default under the Indenture or a notification by a Credit Facility Issuer of a default under its Credit Facility, unless notified in writing of such default by the Majority Owners of

the Outstanding Bonds of a Series. The Trustee may, however, at any time require of the Issuer full information as to the performance of any covenant hereunder, and if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made, at the expense of the Issuer, an investigation into the affairs of the Issuer.

SECTION 11.07. OBLIGATION TO ACT ON DEFAULTS

. The Trustee shall be under no obligation to take any action in respect of any default or otherwise, unless it is requested in writing to do so by the Majority Owners of the Outstanding Bonds which are or would be, upon the taking of such action, subject to remedial proceedings under Article X of this Master Indenture, and if in the Trustee's opinion such action may tend to involve expense or liability, unless it is also furnished with indemnity satisfactory to it. The Trustee shall have no responsibility for actions taken at the direction of the Majority Owners.

SECTION 11.08. RELIANCE BY TRUSTEE

. The Trustee may act on any requisition, resolution, notice, telegram, Electronic Means, facsimile transmission, request, consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document which it in good faith believes to be genuine and to have been passed, signed or given by the persons purporting to be authorized (which in the case of the Issuer shall be a Responsible Officer) or to have been prepared and furnished pursuant to any of the provisions of the Indenture; the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement.

SECTION 11.09. TRUSTEE MAY DEAL IN BONDS

. The Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Bondholders may be entitled to take with like effect as if the Trustee were not a party to the Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the Issuer; provided, however, that if the Trustee determines that any such relation is in conflict with its duties under the Indenture, it shall eliminate the conflict or resign as Trustee.

SECTION 11.10. CONSTRUCTION OF AMBIGUOUS PROVISIONS

. The Trustee may construe any ambiguous or inconsistent provisions of the Indenture, and except as otherwise provided in Article XIII of this Master Indenture, any construction by the Trustee shall be binding upon the Bondholders. The Trustee shall give prompt notice to the Issuer of any intention to make such construction.

SECTION 11.11. RESIGNATION OF TRUSTEE

. The Trustee may resign and be discharged of the trusts created by the Indenture by written resignation filed with the Secretary of the Issuer not less than sixty (60) days before the

date when such resignation is to take effect. Notice of such resignation shall be sent by Electronic Means or first-class mail to each Bondholder as its name and address appears on the Bond Register and to any Paying Agent if not also the Trustee, Registrar if not also the Trustee, Authenticating Agent and Credit Facility Issuer, if any, at least sixty (60) days before the resignation is to take effect. Such resignation shall take effect on the day specified in the Trustee's notice of resignation unless a successor Trustee is previously appointed, in which event the resignation shall take effect immediately on the appointment of such successor; provided, however, that notwithstanding the foregoing, such resignation shall not take effect until a successor Trustee has been appointed. If a successor Trustee has not been appointed within ninety (90) days after the Trustee has given its notice of resignation, the Trustee may petition any court of competent jurisdiction for the appointment of a temporary successor Trustee to serve as Trustee until a successor Trustee has been duly appointed. Notice of such resignation shall also be given to any rating agency that shall then have in effect a rating on any of the Bonds.

SECTION 11.12. REMOVAL OF TRUSTEE

. The Trustee may be removed at any time by either (a) the Issuer, if no default exists under the Indenture, or (b) an instrument or concurrent instruments in writing, executed by the Majority Owners of the Bonds then Outstanding and filed with the Issuer. A photographic copy of any instrument or instruments filed with the Issuer under the provisions of this paragraph, duly certified by a Responsible Officer, shall be delivered promptly by the Issuer to the Trustee and to any Paying Agent, Registrar, Authenticating Agent and Credit Facility Issuer, if any.

The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of the Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Issuer or the Majority Owners of the Bonds then Outstanding or the Trustee may petition a court of competent jurisdiction for appointment of a successor trustee.

SECTION 11.13. APPOINTMENT OF SUCCESSOR TRUSTEE

. If the Trustee or any successor Trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the Issuer shall appoint a successor and shall mail notice of such appointment by first-class mail to each Bondholder as its name and address appear on the Bond Register, and to the Paying Agent, Registrar, Authenticating Agent, Credit Facility Issuer, if any, and any rating agency that shall then have in effect a rating on any of the Bonds. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Master Indenture prior to the date specified in the notice of resignation or removal as the date when such resignation or removal was to take effect, the Majority Owners of all Bonds then Outstanding may appoint a successor Trustee.

SECTION 11.14. QUALIFICATION OF SUCCESSOR

. A successor Trustee shall be a bank or trust company with trust powers, having a combined net capital and surplus of at least \$50,000,000.

SECTION 11.15. INSTRUMENTS OF SUCCESSION

. Subject to Section 11.16 hereof, any successor Trustee shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder and thereupon, such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named Trustee herein. The Trustee ceasing to act hereunder, after deducting all amounts owed to the Trustee, shall pay over to the successor Trustee all moneys held by it hereunder and, upon request of the successor Trustee, the Trustee ceasing to act and the Issuer shall execute and deliver an instrument or instruments prepared by the Issuer transferring to the successor Trustee all the estates, properties, rights, powers and trusts hereunder of the predecessor Trustee, except for its rights under Section 11.04 hereof.

SECTION 11.16. MERGER OF TRUSTEE

. Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Trustee hereunder shall be a party, or any corporation which shall have purchased substantially all of the bond administration business of the corporate trust department shall be the successor Trustee under the Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding; provided, however, that any such successor corporation continuing to act as Trustee hereunder shall meet the requirements of Section 11.14 hereof, and if such corporation does not meet the aforesaid requirements, a successor Trustee shall be appointed pursuant to this Article XI. The Trustee may not resign as the Paying Agent or the Registrar without resigning as Trustee.

SECTION 11.17. EXTENSION OF RIGHTS AND DUTIES OF TRUSTEE TO PAYING AGENT AND REGISTRAR

. The provisions of Sections 11.02, 11.03, 11.04, 11.08, 11.09, 11.10 and 11.16 hereof are hereby made applicable to the Paying Agent and the Registrar, as appropriate, and any Person serving as Paying Agent and/or Registrar, hereby enters into and agrees to comply with the covenants and agreements of the Indenture applicable to the Paying Agent and Registrar, respectively.

SECTION 11.18. RESIGNATION OF PAYING AGENT OR REGISTRAR

. The Paying Agent or Registrar may resign and be discharged of the duties created by the Indenture by executing an instrument in writing resigning such duties and specifying the date when such resignation shall take effect, and filing the same with the Issuer, the Trustee,

and any rating agency that shall then have in effect a rating on any of the Bonds, not less than forty-five (45) days before the date specified in such instrument when such resignation shall take effect, and by giving written notice of such resignation not less than three (3) weeks prior to such resignation date to the Bondholders, mailed to their addresses as such appear in the Bond Register. Such resignation shall take effect on the date specified in such instrument and notice, but only if a successor Paying Agent or Registrar shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor Paying Agent or Registrar. If the successor Paying Agent or Registrar shall not have been appointed within a period of ninety (90) days following the giving of notice, then the Paying Agent or Registrar shall be authorized to petition any court of competent jurisdiction to appoint a successor Paying Agent or Registrar as provided in Section 11.22 hereof.

SECTION 11.19. REMOVAL OF PAYING AGENT OR REGISTRAR

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

SECTION 11.20. APPOINTMENT OF SUCCESSOR PAYING AGENT OR REGISTRAR

. In case at any time the Paying Agent or Registrar shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a vacancy shall forthwith and ipso facto exist in the office of the Paying Agent or Registrar, as the case may be, and a successor shall be appointed by the Issuer; and in case at any time the Paying Agent or Registrar shall resign, then a successor shall be appointed by the Issuer. After any such appointment, notice of such appointment shall be given by the Issuer to the predecessor Paying Agent or Registrar, the successor Paying Agent or Registrar, the Trustee, Credit Facility Issuer, if any, any rating agency that shall then have in effect a rating on any of the Bonds, and all Bondholders. Any new Paying Agent or Registrar so appointed shall immediately, and without further act, supersede the predecessor Paying Agent or Registrar.

SECTION 11.21. QUALIFICATIONS OF SUCCESSOR PAYING AGENT OR REGISTRAR

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

SECTION 11.22. JUDICIAL APPOINTMENT OF SUCCESSOR PAYING AGENT OR REGISTRAR

. In case at any time the Paying Agent or Registrar shall resign and no appointment of a successor Paying Agent or Registrar shall be made pursuant to the foregoing provisions of this Master Indenture prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the retiring Paying Agent or Registrar may forthwith apply to a court of competent jurisdiction for the appointment of a successor Paying Agent or Registrar. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Paying Agent or Registrar. Notice of such appointment shall be given by the Successor Registrar or Paying Agent to the Issuer, the Trustee, Credit Facility Issuer, if any, any rating agency that shall then have in effect a rating on any of the Bonds, and all Bondholders. In the absence of such an appointment, the Trustee shall become the Registrar or Paying Agent, and shall so notify the Issuer, any rating agency that shall have issued a rating on the Bonds, and all Bondholders.

SECTION 11.23. ACCEPTANCE OF DUTIES BY SUCCESSOR PAYING AGENT OR REGISTRAR

. Any successor Paying Agent or Registrar shall become duly vested with all the estates, property, rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named Paying Agent or Registrar herein. Upon request of such Paying Agent or Registrar, such predecessor Paying Agent or Registrar and the Issuer shall, after payment of such Paying Agent or Registrar's fees and expenses, execute and deliver an instrument transferring to such successor Paying Agent or Registrar all the estates, property, rights and powers hereunder, except for its rights under Section 11.04 hereof, of such predecessor Paying Agent or Registrar and such predecessor Paying Agent or Registrar shall pay over and deliver to the successor Paying Agent or Registrar all moneys and other assets at the time held by it hereunder.

SECTION 11.24. SUCCESSOR BY MERGER OR CONSOLIDATION

. Any corporation into which any Paying Agent or Registrar hereunder may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Paying Agent or Registrar hereunder shall be a party, or any corporation which shall have purchased substantially all of the bond administration business of the corporate trust department shall be the successor Paying Agent or Registrar

under the Indenture without the execution or filing of any paper or any further act on the part of the parties thereto, anything in the Indenture to the contrary notwithstanding.

ARTICLE XII
ACTS OF BONDHOLDERS; EVIDENCE OF OWNERSHIP OF BONDS

SECTION 12.01. ACTS OF BONDHOLDERS; EVIDENCE OF OWNERSHIP OF BONDS

. Any action to be taken by Bondholders may be evidenced by one or more concurrent written instruments of similar tenor signed or executed by such Bondholders in person or by an agent appointed in writing. The fact and date of the execution by any person of any such instrument may be provided by acknowledgment before a notary public or other officer empowered to take acknowledgments or by an affidavit of a witness to such execution. Any action by the Owner of any Bond shall bind all future Owners of the same Bond in respect of anything done or suffered by the Issuer, Trustee, Paying Agent or Registrar in pursuance thereof.

ARTICLE XIII
AMENDMENTS AND SUPPLEMENTS

SECTION 13.01. AMENDMENTS AND SUPPLEMENTS WITHOUT BONDHOLDERS' CONSENT

. This Master Indenture and any Supplemental Indenture may be amended or supplemented, from time to time, without the consent of the Bondholders, by a Supplemental Indenture authorized by a Certified Resolution of the Issuer filed with the Trustee, for one or more of the following purposes:

(a) to add additional covenants of the Issuer or to surrender any right or power herein conferred upon the Issuer;

(b) for any purpose not inconsistent with the terms of the Indenture, or to cure any ambiguity or to cure, correct or supplement any defective provision (whether because of any inconsistency with any other provision hereof or otherwise) of the Indenture, in such manner as shall not impair the security hereof or thereof or adversely affect the rights and remedies of the Bondholders;

(c) to provide for the execution of any and all contracts and other documents as may be required in order to effectuate the conveyance of any Project to the State, the County or any department, agency or branch thereof, or any other unit of government of the State, provided, however, that the Issuer shall have caused to be delivered to the Trustee an opinion of Bond Counsel stating that such conveyance shall not impair the security hereof or adversely affect the rights and remedies of the Bondholders; and

(d) to make such changes as may be necessary in order to reflect amendments to Chapters 170, 190 and 197, Florida Statutes, so long as, in the opinion of counsel to the Issuer, such changes either: (i) do not have an adverse effect on the Holders of the Bonds; or (ii) if such changes do have an adverse effect, that they nevertheless are required to be made as a result of such amendments.

SECTION 13.02. AMENDMENTS WITH BONDHOLDERS' CONSENT

. Subject to the provisions of Section 13.03 hereof, this Master Indenture may be amended from time to time by a Supplemental Indenture and any Supplemental Indenture approved by the Majority Owners of the Bonds then Outstanding in the case of the Master Indenture, and of the Series of Bonds then Outstanding and secured by such Supplemental Indenture in the case of an amendment of a Supplemental Indenture; provided that with respect to (a) the interest payable upon any Bonds, (b) the dates of maturity or redemption provisions of any Bonds, (c) this Article XIII and (d) the security provisions hereunder or under any Supplemental Indenture, which may only be amended by approval of the Owners of all Bonds to be so amended.

SECTION 13.03. TRUSTEE AUTHORIZED TO JOIN IN AMENDMENTS AND SUPPLEMENTS; RELIANCE ON COUNSEL

. The Trustee is authorized to join in the execution and delivery of any Supplemental Indenture or amendment permitted by this Article XIII and in so doing may rely on a written opinion of Counsel at the expense of the Issuer that such Supplemental Indenture or amendment is so permitted and has been duly authorized by the Issuer and that all things necessary to make it a valid and binding agreement have been done. The Trustee shall not be obligated to enter into any Supplemental Indenture or amendment that imposes additional obligations on the Trustee or adversely affects the Trustee's rights and remedies hereunder.

ARTICLE XIV DEFEASANCE

SECTION 14.01. DEFEASANCE

. When interest on, and principal or Redemption Price (as the case may be) of, the Bonds of a Series or any portion thereof to be defeased have been paid, or there shall have been deposited with the Trustee or such other escrow agent designated in a Certified Resolution of the Issuer (the "Escrow Agent") moneys sufficient, or Defeasance Securities, the principal of and interest on which, when due, together with any moneys, remaining uninvested, will provide sufficient moneys to fully pay (i) such Bonds of a Series or portion thereof to be defeased, and (ii) any other sums payable hereunder by the Issuer, the right, title and interest of the Trustee with respect to such Bonds of a Series or portion thereof to be defeased shall thereupon cease, the lien of the Indenture on the Pledged Revenues, and the Funds and Accounts established under the Indenture shall be defeased and discharged, and the Trustee, on demand of the Issuer, shall release the Indenture as to such Bonds of a Series or portion thereof

to be so defeased and shall execute such documents to evidence such release as may be reasonably required by the Issuer and shall turn over to the Issuer or to such Person, body or authority as may be entitled to receive the same all balances remaining in any Series Funds and Accounts upon the defeasance in whole of all of the Bonds of a Series.

SECTION 14.02. DEPOSIT OF FUNDS FOR PAYMENT OF BONDS

. If the Issuer deposits with the Escrow Agent moneys sufficient, or Defeasance Securities, the principal of and interest on which, when due, together with any moneys remaining uninvested, will provide sufficient moneys to pay the principal or Redemption Price of any Bonds of a Series becoming due, either at maturity or by redemption or otherwise, together with all interest accruing thereon to the date of maturity or such prior redemption, and reimburses or causes to be reimbursed or pays or causes to be paid the other amounts required to be reimbursed or paid under Section 14.01 hereof, interest on such Bonds of a Series shall cease to accrue on such date of maturity or prior redemption and all liability of the Issuer with respect to such Bonds of a Series shall likewise cease, except as hereinafter provided; provided, however, that (a) if any Bonds are to be redeemed prior to the maturity thereof, notice of the redemption thereof shall have been duly given in accordance with the provisions of Section 8.02 hereof, or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of such notice, and (b) in the event that any Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days following a deposit of moneys with the Escrow Agent, in accordance with this Section, the Issuer shall have given the Escrow Agent, in form satisfactory to the Escrow Agent, irrevocable instructions to mail to the Owners of such Bonds at their addresses as they appear on the Bond Register, a notice stating that a deposit in accordance with this Section has been made with the Escrow Agent and that the Bonds to which such notice relates are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price (as the case may be) of, and interest on, said Bonds of a Series. Thereafter such Bonds shall be deemed not to be Outstanding hereunder and the Owners of such Bonds shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Bonds, and the Escrow Agent shall hold such funds in trust for such Owners. At the time of the deposit referred to above, there shall be delivered to the Escrow Agent a verification from a firm of independent certified public accountants stating that the principal of and interest on the Defeasance Securities, together with the stated amount of any cash remaining on deposit with the Escrow Agent, will be sufficient without reinvestment to pay the remaining principal of, redemption premium, if any, and interest on such defeased Bonds.

Money so deposited with the Escrow Agent which remains unclaimed three (3) years after the date payment thereof becomes due shall, upon request of the Issuer, if the Issuer is not at the time to the knowledge of the Escrow Agent in default with respect to any covenant in the Indenture or the Bonds of such Series contained, be paid to the Issuer; and the Owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer; provided, however, that the Escrow Agent, before making payment to the Issuer, may, at the

expense of the Issuer, cause a notice to be published in an Authorized Newspaper, stating that the money remaining unclaimed will be returned to the Issuer after a specified date.

**ARTICLE XV
MISCELLANEOUS PROVISIONS**

SECTION 15.01. LIMITATIONS ON RECOURSE

. No personal recourse shall be had for any claim based on the Indenture or the Bonds against any member of the Board of the Issuer, officer, employee or agent, past, present or future, of the Issuer or of any successor body as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

The Bonds are payable solely from the Pledged Revenues, and any other moneys held by the Trustee under the Indenture for such purpose. There shall be no other recourse under the Bonds, the Indenture or otherwise, against the Issuer or any other property now or hereafter owned by it.

SECTION 15.02. PAYMENT DATES

. In any case where an Interest Payment Date or the maturity date of the Bonds or the date fixed for the redemption of any Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

SECTION 15.03. NO RIGHTS CONFERRED ON OTHERS

. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Bonds.

SECTION 15.04. ILLEGAL PROVISIONS DISREGARDED

. If any term of the Indenture or the Bonds or the application thereof for any reason or circumstances shall to any extent be held invalid or unenforceable, the remaining provisions or the application of such terms or provisions to Persons and situations other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term and provision hereof and thereof shall be valid and enforced to the fullest extent permitted by law.

SECTION 15.05. SUBSTITUTE NOTICE

. If for any reason it shall be impossible to make publication of any notice required hereby in a newspaper or newspapers, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice.

SECTION 15.06. NOTICES

. Any notice, demand, direction, request or other instrument authorized or required by the Indenture to be given to or filed with the Issuer or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of the Indenture if and when personally delivered and receipted for, or sent by registered United States mail, return receipt requested, addressed as follows:

(a) As to the Issuer - Hunter's Ridge Community Development District No. 1
6131 Lyons Road, Suite #100
Coconut Creek, Florida 33073
Attention: District Manager

With a copy to: Cobb & Cole, P.A.
231 N. Woodland Boulevard
Deland, Florida 32720
Attention: Mark A. Watts

(b) As to the Trustee - U.S. Bank National Association
550 W. Cypress Creek Road, Suite #380
Fort Lauderdale, Florida 33309
Attention: Amanda Kumar

Any of the foregoing may, by notice sent to each of the others, designate a different or additional address to which notices under the Indenture are to be sent.

All documents received by the Trustee under the provisions of the Indenture and not required to be redelivered shall be retained in its possession, subject at all reasonable times to the inspection of the Issuer, any Consultant, any Bondholder and the agents and representatives thereof as evidence in writing.

SECTION 15.07. CONTROLLING LAW

. The Indenture shall be governed by and construed in accordance with the laws of the State.

SECTION 15.08. SUCCESSORS AND ASSIGNS

. All the covenants, promises and agreements in the Indenture contained by or on behalf of the Issuer or by or on behalf of the Trustee shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 15.09. HEADINGS FOR CONVENIENCE ONLY

. The table of contents and descriptive headings in this Master Indenture are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 15.10. COUNTERPARTS

. This Master Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 15.11. APPENDICES AND EXHIBITS

. Any and all appendices or exhibits referred to in and attached to this Master Indenture are hereby incorporated herein and made a part hereof for all purposes.

IN WITNESS WHEREOF, Hunter's Ridge Community Development District No. 1 has caused this Master Indenture to be executed by the Chair of its Board and its corporate seal to be hereunto affixed, attested by the Secretary or Assistant Secretary of its Board and U.S. Bank National Association has caused this Master Indenture to be executed by one of its corporate officers, all as of the day and year first above written.

**HUNTER'S RIDGE COMMUNITY
DEVELOPMENT DISTRICT NO. 1**

[SEAL]

Attest:

By: _____
Chair, Board of Supervisors

Secretary, Board of Supervisors

U.S. BANK NATIONAL ASSOCIATION,
a national association, as Trustee, Paying
Agent and Registrar

By: _____
Title: Vice President

EXHIBIT A
LEGAL DESCRIPTION OF
HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1

The present boundaries of Hunter's Ridge Community Development District No. 1 are as follows:

EXHIBIT B

DESCRIPTION OF THE PROJECT

The Project includes the following improvements:

Roadways:

Public Roads

Utilities (Irrigation System, Sanitary Sewer Conveyance System & Potable Water Distribution System)

Stormwater Drainage System (Items necessary for conveyance of stormwater run-off such as pipes and drainage structures)

Internal Roads (such as Base, Sub-Grade, and Pavement Components)

Electrical (Roadway Lighting)

Sidewalks within common areas and rights-of-way

Stormwater Management:

Associated Earthwork

Master Stormwater Drainage System

Soft Costs:

Engineering, Surveying, Permitting, other

EXHIBIT C

[FORM OF BOND]

The following legend shall appear on the Bond only if the Bonds are privately placed:

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, BASED UPON THE EXEMPTION FROM REGISTRATION AVAILABLE UNDER SECTION 3(a)(2) THEREOF, AND MAY BE SOLD OR OTHERWISE TRANSFERRED ONLY TO AN "ACCREDITED INVESTOR," AS SUCH TERM IS DEFINED IN 17 C.F.R. SECTION 230.501(a), OR ANY SUCCESSOR PROVISION THERETO, IN ACCORDANCE WITH APPLICABLE FEDERAL AND STATE SECURITIES LAWS AND OTHERWISE IN ACCORDANCE WITH THE PROVISIONS OF THE INDENTURE REFERRED TO BELOW.

R-_____ \$_____

UNITED STATES OF AMERICA
STATE OF FLORIDA
HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1
SPECIAL ASSESSMENT BOND,
SERIES []

Interest Rate Maturity Date Date of Original Issuance CUSIP

Registered Owner: _____

Principal Amount: _____

KNOW ALL PERSONS BY THESE PRESENTS that the Hunter's Ridge Community Development District No. 1 (the "Issuer"), for value received, hereby promises to pay to the registered owner shown above or registered assigns, on the date specified above, from the sources hereinafter mentioned, upon presentation and surrender hereof at the designated corporate trust office of U.S. Bank National Association, in Fort Lauderdale, Florida, as paying agent (said U.S. Bank National Association and/or any bank or trust company to become successor paying agent being herein called the "Paying Agent"), the Principal Amount set forth above with interest thereon at the Interest Rate per annum set forth above, computed on 360-day year of twelve 30-day months, payable on the first day of May and November of each year; provided, however, that presentation shall not be required while Bonds are registered in book-entry only. Principal of this Bond is payable at the designated corporate trust office of the Paying Agent in lawful money of the United States of America. Interest on this Bond is payable by check or draft of the Paying Agent made payable to the registered owner and mailed on each

Interest Payment Date to the address of the registered owner as such name and address shall appear on the registry books of the Issuer maintained by U.S. Bank National Association, as Registrar (said U.S. Bank National Association and any successor Registrar being herein called the "Registrar") at the close of business on the fifteenth day of the calendar month preceding each interest payment date or the date on which the principal of a Bond is to be paid (the "Record Date"). Such interest shall be payable from the most recent interest payment date next preceding the date of authentication hereof to which interest has been paid, unless the date of authentication hereof is a May 1 or November 1 to which interest has been paid, in which case from the date of authentication hereof, or unless such date of authentication is prior to _____, 20__, in which case from _____, 20__, or unless the date of authentication hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Record Date and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice whereof shall be given to Bondholders of record as of the fifth (5th) day prior to such mailing, at their registered addresses, not less than ten (10) days prior to such Special Record Date, or may be paid, at any time in any other lawful manner, as more fully provided in the Indenture (defined below). Capitalized terms used herein and not otherwise defined shall be as defined in the Indenture.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF AND SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH ON THE FRONT SIDE HEREOF.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY OUT OF THE PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE ISSUER, FLAGLER COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS, EXCEPT THAT THE ISSUER IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SPECIAL ASSESSMENTS (AS DEFINED IN THE INDENTURE) TO SECURE AND PAY THE BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, FLAGLER COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by execution of the Trustee, or such other authenticating agent as may be appointed by the Trustee under the Indenture, of the certificate of authentication endorsed hereon.

This Bond is one of an authorized issue of Bonds of the Hunter's Ridge Community Development District No. 1, a community development district duly created, organized and existing under Chapter 190, Florida Statutes (the Uniform Community Development District Act of 1980), as amended (the "Act") and Ordinance No. 2014-01 of the Board of County Commissioners of Flagler County, Florida, enacted on April 21, 2014, designated as "Hunter's Ridge Community Development District No. 1 Special Assessment Bonds, Series ____" (the "Bonds"), in the aggregate principal amount of _____ Dollars (\$_____) of like date, tenor and effect, except as to number. The Bonds are being issued under authority of the laws and Constitution of the State of Florida, including particularly the Act, to pay a portion of the costs of the design, acquisition and construction of facilities and basic infrastructure consisting of, but not limited to, drainage, water management and control, water supply, sewer, wastewater management, bridges or culverts, roads and street lights, transportation facilities, conservation areas, parks and recreational facilities security, or any other project improvements pursuant to the Act. The Bonds shall be issued as fully registered Bonds in authorized denominations, as set forth in the Indenture. The Bonds are issued under and secured by a Master Trust Indenture dated as of January 1, 2019, (the Master Indenture"), as amended and supplemented by a _____ Supplemental Trust Indenture dated as of _____ 1, 20__ (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each by and between the Issuer and the Trustee, executed counterparts of which are on file at the corporate trust office of the Trustee in Fort Lauderdale, Florida.

Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Bonds issued under the Indenture, the operation and application of the Debt Service Fund and other Funds and Accounts (each as defined in the Indenture) charged with and pledged to the payment of the principal of, premium, if any, and the interest on the Bonds, the levy and the evidencing and certifying for collection, of Special Assessments, the nature and extent of the security for the Bonds, the terms and conditions on which the Bonds are issued, the rights, duties and obligations of the Issuer and of the Trustee under the Indenture, the conditions under which such Indenture may be amended without the consent of the registered owners of Bonds, the conditions under which such Indenture may be amended with the consent of the Majority Owners of the Bonds Outstanding, and as to other rights and remedies of the registered owners of the Bonds.

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

It is expressly agreed by the registered owner of this Bond that such registered owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, Flagler County, Florida, the State of Florida or any other political subdivision thereof, or taxation in any form of any real or personal property of the Issuer, Flagler County, Florida, the State of Florida or any other political subdivision thereof, for the payment of the principal of, premium, if any, and interest on this Bond or the making of any other sinking fund

and other payments provided for in the Indenture, except for Special Assessments to be assessed and levied by the Issuer as set forth in the Indenture.

By the acceptance of this Bond, the registered owner hereof assents to all the provisions of the Indenture.

This Bond is payable from and secured by Pledged Revenues, as such term is defined in the Indenture, all in the manner provided in the Indenture. The Indenture provides for the levy and the evidencing and certifying, of non-ad valorem assessments in the form of Special Assessments to secure and pay the Bonds.

The Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the redemption price of the Bonds shall be made on the dates specified below. Upon any redemption of Bonds other than in accordance with scheduled Sinking Fund Installments, the Issuer shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding principal amount of Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Bonds. The Sinking Fund Installments as so recalculated shall not result in an increase in the aggregate of the Sinking Fund Installments for all Bonds in any year. In the event of a redemption or purchase occurring less than 45 days prior to a date on which a Sinking Fund Installment is due, the foregoing recalculation shall not be made to Sinking Fund Installments due in the year in which such redemption or purchase occurs, but shall be made to Sinking Fund Installments for the immediately succeeding and subsequent years.

Optional Redemption

The Bonds are subject to redemption at the option of the Issuer in whole or in part at any time on or after _____ 1, ____, at the redemption prices (expressed as percentages of principal amount to be redeemed) set forth below, plus accrued interest to the redemption date, upon notice from the Issuer to the Trustee as set forth in the Indenture.

Redemption Period (Both Dates Inclusive)	<u>Redemption Price</u>
_____ 1, ____ to _____ 31, ____	\$
_____ 1, ____ to _____ 31, ____	
_____ 1, ____ and thereafter	

Mandatory Sinking Fund Redemption

The Bonds are subject to mandatory sinking fund redemption on May 1 in the years and in the principal amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption. Such principal amounts shall be

reduced as specified by the Issuer by the principal amount of any Bonds redeemed pursuant to optional or extraordinary mandatory redemption as set forth above or purchased and cancelled pursuant to the provisions of the Indenture.

<u>Year</u>	<u>Principal Amount of Bonds to be Paid</u>	<u>Year</u>	<u>Principal Amount of Bonds to be Paid</u>
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Extraordinary Mandatory Redemption in Whole or in Part

The Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any interest payment date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, as provided in the Supplemental Indenture.

Notice of Redemption

The Trustee shall cause notice of redemption to be mailed at least thirty (30) but not more than sixty (60) days prior to the date of redemption to all registered owners of Bonds to be redeemed (as such owners appear on the books of the Registrar on the fifth (5th) day prior to such mailing) and to certain additional parties as set forth in the Indenture; provided, however, that failure to mail any such notice or any defect in the notice or the mailing thereof shall not affect the validity of the redemption of the Bonds for which such notice was duly mailed in accordance with the Indenture. If less than all of the Bonds shall be called for redemption, the notice of redemption shall specify the Bonds to be redeemed. On the redemption date, the Bonds called for redemption will be payable at the designated corporate trust office of the Paying Agent and on such date interest shall cease to accrue, such Bonds shall cease to be entitled to any benefit under the Indenture and such Bonds shall not be deemed to be outstanding under the provisions of the Indenture and the registered owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. If the amount of funds so deposited with the Trustee, or otherwise available, is insufficient to pay the redemption price and interest on all Bonds so called for redemption on such date, the Trustee shall redeem and pay on such date an amount of such Bonds for which such funds are sufficient, selecting the Bonds to be redeemed by lot from among all such Bonds called for redemption on such date, and interest on any Bonds not paid shall continue to accrue, as provided in the Indenture.

Partial Redemption of Bonds. If less than all the Bonds of a maturity are to be redeemed, the Trustee shall select the particular Bonds or portions of Bonds to be redeemed by lot in such

reasonable manner as the Trustee in its discretion may determine. In the case of any partial redemption of Bonds pursuant to an optional redemption, such redemption shall be effectuated by redeeming Bonds of such maturities in such manner as shall be specified by the Issuer in writing, subject to the provisions of the Indenture. In the case of any partial redemption of Bonds pursuant to an extraordinary mandatory redemption, such redemption shall be effectuated by redeeming Bonds pro rata among the maturities, treating each date on which a Sinking Fund Installment is due as a separate maturity for such purpose, with the portion to be redeemed from each maturity being equal to the product of the aggregate principal amount of Bonds to be redeemed multiplied times a fraction the numerator of which is the principal amount of Bonds of such maturity outstanding immediately prior to the redemption date and the denominator of which is the aggregate principal amount of all Bonds outstanding immediately prior to the redemption date.

The Issuer shall keep books for the registration of the Bonds at the corporate trust office of the Registrar in Fort Lauderdale, Florida. Subject to the restrictions contained in the Indenture, the Bonds may be transferred or exchanged by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the Issuer kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer shall execute and the Trustee or such other authenticating agent as may be appointed by the Trustee under the Indenture shall authenticate and deliver a new Bond or Bonds in authorized form and in like aggregate principal amount in accordance with the provisions of the Indenture. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee, Paying Agent or the Registrar, duly executed by the Bondholder or his attorney duly authorized in writing. Transfers and exchanges shall be made without charge to the Bondholder, except that the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds. Neither the Issuer nor the Registrar on behalf of the Issuer shall be required (i) to issue transfer or exchange any Bond during a period beginning at the opening of business fifteen (15) days before the day of mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Bond so selected for redemption in whole or in part.

The Issuer, the Trustee, the Paying Agent and the Registrar may deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner thereof (whether or not such Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Trustee, the Paying Agent or the Registrar) for the purpose of receiving payment of or on account of the principal of, premium, if any, and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond

to the extent of the sum or sums so paid, and neither the Issuer, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, including particularly the Act, and that the issuance of this Bond, and of the issue of the Bonds of which this Bond is one, is in full compliance with all constitutional and statutory limitations or provisions.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Hunter's Ridge Community Development District No. 1 has caused this Bond to be signed by the facsimile signature of the Chair of its Board of Supervisors and a facsimile of its seal to be imprinted hereon, and attested by the facsimile signature of the Secretary of its Board of Supervisors, all as of the date hereof.

**HUNTER'S RIDGE COMMUNITY
DEVELOPMENT DISTRICT NO. 1**

[SEAL]

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

(SEAL)

Attest:

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

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds delivered pursuant to the within mentioned Indenture.

Date of Authentication: _____

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Agent

STATEMENT OF VALIDATION

This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court of the Seventh Judicial Circuit of Florida, in and for Flagler County, Florida, rendered on the 19th day of November, 2014.

Chair, Board of Supervisors

Secretary, Board of Supervisors

ABBREVIATIONS

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

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with rights of survivorship and
not as tenants in common
UNIFORM TRANSFER MIN ACT - _____ Custodian _____
(Cust) (Minor)

Under Uniform Transfer to Minors

Act _____
(State)

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

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

(please print or typewrite name and address of assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Signature Guarantee:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Please insert social security or other identifying number of Assignee.

EXHIBIT D

**FORM OF REQUISITION
HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1
SPECIAL ASSESSMENT BONDS, SERIES []**

The undersigned, a Responsible Officer of the Hunter's Ridge Community Development District No. 1 (the "Issuer") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"), dated as of January 1, 2019, as supplemented by that certain _____ Supplemental Trust Indenture dated as of _____ (collectively, 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) Amount, if any, that is used for a Deferred Cost:
- (F) Fund or Account from which disbursement to be made:

The undersigned hereby certifies that:

- 1. obligations in the stated amount set forth above have been incurred by the Issuer,

or

 this requisition is for Costs of Issuance payable from the Acquisition and Construction Fund that have not previously been paid;
- 2. each disbursement set forth above is a proper charge against the Acquisition and Construction Fund;
- 3. each disbursement set forth above was incurred in connection with the acquisition and/or construction of the Project;

4. each disbursement represents a Cost of the Project which has not previously been paid.

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

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

Originals or copies of the invoice(s) from the vendor of the property acquired or the services rendered, or other appropriate documentation of costs paid, with respect to which disbursement is hereby requested are on file with the Issuer.

**HUNTER'S RIDGE COMMUNITY
DEVELOPMENT DISTRICT NO. 1**

By: _____
Responsible Officer

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

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

Consulting Engineer

**HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1**

12Aiii

FIRST SUPPLEMENTAL TRUST INDENTURE

BETWEEN

HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1

AND

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of January 1, 2019

Authorizing and Securing

\$_[_____]

HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1
(Flagler County, Florida)
Special Assessment Bonds, Series 2019 (Assessment Area One)

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EXHIBIT A – Form of Investor Letter

THIS FIRST SUPPLEMENTAL TRUST INDENTURE dated as of January 1, 2019 (the "First Supplemental Indenture") between **HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1** (the "Issuer" or the "District"), a local unit of special-purpose government organized and existing under the laws of the State of Florida, and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association duly organized and existing under the laws of the United States of America, with its designated corporate trust office located at 550 W. Cypress Creek Road, Suite #380, Fort Lauderdale, Florida 33309 (said banking association and any bank or trust company becoming successor trustee under this First Supplemental Indenture being hereinafter referred to as the "Trustee");

W I T N E S S E T H:

WHEREAS, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act") by Ordinance No. 2014-01 enacted by the Board of County Commissioners of Flagler County, Florida (the "County") on April 21, 2014, for the purpose, among other things, of financing and managing the design, acquisition, construction, maintenance, and operation of systems, facilities and basic infrastructure within and without the boundaries of the premises to be governed by the Issuer; and

WHEREAS, the premises governed by the Issuer (referred to herein as the "District Lands") are described more fully in Exhibit A to the Master Trust Indenture dated as of January 1, 2019 (the "Master Indenture"), between the District and the Trustee, and currently consists of approximately 214 acres of land located entirely within the County; and

WHEREAS, the Issuer has been created for the purpose of delivering certain community development services and facilities for the benefit of the District Lands; and

WHEREAS, the Issuer has determined to undertake, in one or more stages, the acquisition and construction of certain public infrastructure and associated professional fees and incidental costs related thereto pursuant to the Act for the special benefit of the District Lands (as further described in Exhibit B to the Master Indenture, the "Capital Improvement Program"); and

WHEREAS, the Board of Supervisors of the Issuer (the "Board") duly adopted Resolution No. 2014-18 on July 18, 2014 (the "Initial Bond Resolution"), authorizing, among other things, the issuance, in one or more series, of not to exceed \$8,085,000 aggregate principal amount of its Hunter's Ridge Community Development District No. 1 Special Assessment Bonds in order to pay all or a portion of the costs of the planning, financing, acquisition, construction, reconstruction, equipping and installation of the Capital Improvement Program; and

WHEREAS, the District's Resolution No. 2019-06 was duly adopted by the Board on December 5, 2018, authorizing, among other things, the sale of its Special Assessment Bonds, Series 2019 (Assessment Area One) (the "Series 2019 Area One Bonds") which are issued hereunder, as one Series of Bonds under, and as defined in, the Master Indenture, and has authorized the execution and delivery of the Master Indenture and this First Supplemental Indenture to secure the issuance of the Series 2019 Area One Bonds and to set forth the terms of the Series 2019 Area One Bonds; and

WHEREAS, the District will apply the proceeds of the Series 2019 Area One Bonds to: (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Series 2019 Area One Project (as defined herein); (ii) pay certain costs associated with the issuance of the Series 2019 Area One Bonds; (iii) make a deposit into the Series 2019 Area One Debt Service Reserve Account which account will be held for the benefit of all of the Series 2019 Area One Bonds, without privilege or priority of one Series 2019 Area One Bond over another; and (iv) pay the interest to become due on the Series 2019 Area One Bonds through [_____] 1, 20[___]; and

WHEREAS, simultaneously with the issuance of the Series 2019 Area One Bonds the Issuer is issuing its Hunter's Ridge Community Development District No. 1 Special Assessment Bonds, Series 2019A (Assessment Area Two) (the "Series 2019A Area Two Bonds") to finance the Series 2019 Area Two Project (as defined herein) and its Hunter's Ridge Community Development District No. 1 Special Assessment Bonds, Series 2019B (Assessment Area Two) (the "Series 2019B Area Two Bonds" and together with the Series 2019A Area Two Bonds, the "Series 2019 Area Two Bonds") to finance the Series 2019 Area Two Project; and

WHEREAS, the Series 2019 Area One Bonds will be secured by a pledge of the Pledged Revenues (as hereinafter defined) to the extent provided herein, which Pledged Revenues consist primarily of the Series 2019 Area One Special Assessments (as hereinafter defined) levied on that portion of the District Lands benefitted by the Series 2019 Area One Project; and

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH, that to provide for the issuance of the Series 2019 Area One Bonds, the security and payment of the principal or redemption price thereof (as the case may be) and interest thereon, the rights of the Bondholders and the performance and observance of all of the covenants contained herein and in said Series 2019 Area One Bonds, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Series 2019 Area One Bonds by the Owners thereof, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer does hereby assign, transfer, set over and pledge to the Trustee, its successors in trust and its assigns forever, and grants a lien on all of the right, title and interest of the Issuer in and to the Pledged Revenues as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Series 2019 Area One Bonds issued hereunder and any other amounts owed hereunder, and any Bonds issued on a parity with the Series 2019 Area One Bonds, all in the manner

hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

TO HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien created by the Indenture.

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future Owners of the Series 2019 Area One Bonds issued and to be issued under this First Supplemental Indenture, without preference, priority or distinction as to lien or otherwise (except as otherwise specifically provided in this First Supplemental Indenture) of any one Series 2019 Area One Bond over any other Series 2019 Area One Bond, all as provided in the Indenture (as hereinafter defined), and any Bonds issued on a parity with the Series 2019 Area One Bonds.

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal or redemption price of the Series 2019 Area One Bonds issued, and any Bonds issued on a parity with the Series 2019 Area One Bonds, secured and Outstanding hereunder and the interest due or to become due thereon, at the times and in the manner mentioned in such Series 2019 Area One Bonds and the Indenture, according to the true intent and meaning thereof and hereof, and the Issuer shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this First Supplemental Indenture and the rights hereby granted shall cease and terminate, otherwise this First Supplemental Indenture to be and remain in full force and effect.

ARTICLE I. DEFINITIONS

In this First Supplemental Indenture capitalized terms used without definition shall have the meanings ascribed thereto in the Master Indenture and, in addition, the following terms shall have the meanings specified below, unless otherwise expressly provided or unless the context otherwise requires:

"Acquisition Agreement" shall mean that certain [Agreement Regarding the Acquisition of Certain Work Product and Infrastructure], dated [_____] , 20[___], by and between the District and the Developer.

"Arbitrage Certificate" shall mean that certain Arbitrage Certificate of the Issuer, dated [_____] , 20[___], relating to certain restrictions on arbitrage under the Code.

"Assessment Methodology" shall mean, collectively, the Hunter's Ridge Community Development District No. 1 Preliminary Master Special Assessment Methodology Report dated May 21, 2014, as amended by the Hunter's Ridge Community Development District No. 1 First Addendum to Master Special Assessment Methodology Report dated December 5, 2018, as supplemented by the [Final Supplemental Special Assessment Methodology Report] dated [_____], 2019, each as prepared by the Methodology Consultant and relating to the Series 2019 Area One Bonds and the Series 2019 Area Two Bonds, including, without limitation, all exhibits and appendices thereto.

"Assessment Resolutions" shall mean Resolution Nos. 20[]-[], 20[]-[], 20[]-[] and 20[]-[] of the Issuer adopted [_____], 20[], [_____], 20[], [_____], 20[] and [_____], 20[], respectively, as amended and supplemented from time to time.

"Authorized Denomination" shall mean, with respect to the Series 2019 Area One Bonds, \$5,000 or any integral multiple thereof; provided however, if any initial beneficial owner does not purchase at least \$100,000 of the Series 2019 Area One Bonds at the time of initial delivery of the Series 2019 Area One Bonds, such beneficial owner must either execute and deliver to the Underwriter on the date of delivery of the Series 2019 Area One Bonds the investor letter substantially in the form attached hereto as **Exhibit A** or otherwise establish to the satisfaction of the Underwriter that such beneficial owner is an "accredited investor," as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended.

"Collateral Assignment" shall mean the [Collateral Assignment and Assumption of Development and Contract Rights], dated [_____], 20[], by the Developer in favor of the District.

"Completion Agreement" shall mean the [Completion Agreement] by and between the District and the Developer, dated [_____], 20[], as such agreement may be modified from time to time.

"Developer" shall mean BADC Huntington Communities, LLC, a Florida limited liability company, and any affiliate or any entity which succeeds to its interests and assumes any or all of the responsibilities of said entity, as the developer of the District Lands.

"District Manager" shall mean the person or entity serving as the Issuer's District Manager from time to time. The initial District Manager shall be Wrathell, Hunt & Associates.

"Engineer's Report" shall mean the Engineer's Report for Hunter's Ridge Community Development District No. 1 dated May 2014 and revised November 28, 2018, prepared by Zev Cohen & Associates, Inc.

"First Supplemental Indenture" shall mean this First Supplemental Trust Indenture dated as of January 1, 2019, by and between the District and the Trustee, as supplemented or amended.

"Indenture" shall mean, collectively, the Master Indenture and this First Supplemental Indenture.

"Interest Payment Date" shall mean May 1 and November 1 of each year, commencing [May 1, 2019].

"Majority Owners" shall mean the Beneficial Owners of more than fifty percent (50%) of the aggregate principal amount of the Bonds then Outstanding to which such reference is made and, if no such reference is made, shall mean the Beneficial Owners of more than fifty percent (50%) in principal amount of the Outstanding Series 2019 Area One Bonds.

"Methodology Consultant" shall mean, initially, Wrathell, Hunt & Associates, or such successor Methodology Consultant appointed by the District.

"Paying Agent" shall mean the Trustee, and its successors and assigns as Paying Agent hereunder.

"Pledged Revenues" shall mean, with respect to the Series 2019 Area One Bonds (a) all revenues received by the Issuer from the Series 2019 Area One Special Assessments levied and collected on that portion of the District Lands benefited by the Series 2019 Area One Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2019 Area One Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2019 Area One Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture; provided, however, that Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) "special assessments" levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the Issuer under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso).

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

"Registrar" shall mean the Trustee, and its successors and assigns as Registrar hereunder.

"Regular Record Date" shall mean the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date.

"Resolution" shall mean, collectively, Resolution No. 2014-18 of the Issuer adopted on July 18, 2014, as supplemented by Resolution No. 2019-06 of the Issuer adopted on December 5, 2018.

"Series 2019 Area One Acquisition and Construction Account" shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this First Supplemental Indenture.

"Series 2019 Area One Bond Redemption Fund" shall mean the Series 2019 Area One Bond Redemption Fund established pursuant to Section 4.01(f) of this First Supplemental Indenture.

"Series 2019 Area One Costs of Issuance Subaccount" shall mean the Account so designated, established as a separate Subaccount within the Series 2019 Area One Acquisition and Construction Account pursuant to Section 4.01(a) of this First Supplemental Indenture.

"Series 2019 Area One Debt Service Reserve Account" shall mean the Account so designated, established as a separate Account within the Debt Service Reserve Fund pursuant to Section 4.01(e) of this First Supplemental Indenture.

"Series 2019 Area One Debt Service Reserve Requirement" shall mean an amount equal to fifty percent (50%) of the maximum annual Debt Service Requirement for the Series 2019 Area One Bonds the date of initial issuance of the Series 2019 Area One Bonds which is \$[_____].

"Series 2019 Area One General Account" shall mean the Account so designated, established as a separate Account under the Series 2019 Area One Bond Redemption Fund pursuant to Section 4.01(g) of this First Supplemental Indenture.

"Series 2019 Area One Interest Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(d) of this First Supplemental Indenture.

"Series 2019 Area One Lands" shall mean that portion of the District Lands subject to the lien of the Series 2019 Area One Special Assessments.

"Series 2019 Area One Prepayment" shall mean the payment by any owner of property of the amount of Series 2019 Area One Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments and prepayments which become due pursuant to the "true-up" mechanism contained in the Assessment Resolutions and the True-Up Agreement. "Prepayments" shall include, without limitation, Series 2019 Area One Prepayment Principal.

"Series 2019 Area One Prepayment Account" shall mean the Account so designated, established as a separate Account under the Series 2019 Area One Bond Redemption Fund pursuant to Section 4.01(g) of this First Supplemental Indenture.

"Series 2019 Area One Prepayment Principal" shall mean the portion of a Prepayment corresponding to the principal amount of Series 2019 Area One Special Assessments being prepaid.

"Series 2019 Area One Project" shall mean the portion of the Capital Improvement Program financed with proceeds of the Series 2019 Area One Bonds.

"Series 2019 Area One Revenue Account" shall mean the Account so designated, established as a separate Account within the Revenue Fund pursuant to Section 4.01(b) of this First Supplemental Indenture.

"Series 2019 Area One Sinking Fund Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(e) of this First Supplemental Indenture.

"Series 2019 Area One Special Assessments" shall mean the Special Assessments levied on that portion of the District Lands specially benefitted by the Series 2019 Area One Project or any portion thereof, which assessments correspond in amount to the debt service on the Series 2019 Area One Bonds.

"Series 2019 Area Two Project" shall mean the portion of the Capital Improvement Program financed with proceeds of the Series 2019A Area Two Bonds and the Series 2019B Area Two Bonds.

"Substantially Absorbed" shall mean the date on which a principal amount of the Series 2019 Area One Special Assessments equaling at least ninety percent (90%) of the then Outstanding principal amount of the Series 2019 Area One Bonds are levied on the Series 2019 Area One Lands with respect to which a certificate of occupancy has been issued for a structure thereon. Satisfaction of the foregoing definition shall be evidenced by the delivery by the Issuer to the Trustee of a written certificate of the Methodology Consultant to such effect and upon which the Trustee may conclusively rely.

"True-Up Agreement" shall mean the [True-Up Agreement], between the [District, the Developer and the District Manager], dated [_____], 20[___].

"Trustee" shall mean U.S. Bank National Association, a national banking association, and its successors and assigns.

"Underwriter" shall mean FMSbonds, Inc.

"Uniform Method" shall mean the uniform method for the levy, collection and enforcement of Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, as amended.

The words "hereof," "herein," "hereto," "hereby," and "hereunder" (except in the forms of Series 2019 Area One Bonds), refer to the entire Indenture.

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

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

ARTICLE II.
THE SERIES 2019 AREA ONE BONDS

SECTION 2.01 Amounts and Terms of Series 2019 Area One Bonds; Issue of Series 2019 Area One Bonds.

No Series 2019 Area One Bonds may be issued under this First Supplemental Indenture except in accordance with the provisions of this Article and Articles II and III of the Master Indenture.

(a) The total principal amount of Series 2019 Area One Bonds that may be issued under this First Supplemental Indenture is expressly limited to \$[_____]. The Series 2019 Area One Bonds shall be numbered consecutively from R-1 and upwards.

(b) Any and all Series 2019 Area One Bonds shall be issued substantially in the form attached as Exhibit C to the Master Indenture, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture and with such additional changes as may be necessary or appropriate to conform to the provisions of the Resolution and this First Supplemental Indenture. The Issuer shall issue the Series 2019 Area One Bonds upon execution of this First Supplemental Indenture and satisfaction of the requirements of Section 3.01 of the Master Indenture; and the Trustee shall, at the Issuer's written request, authenticate such Series 2019 Area One Bonds and deliver them as specified in the request.

SECTION 2.02 Execution.

The Series 2019 Area One Bonds shall be executed by the Issuer as set forth in the Master Indenture.

SECTION 2.03 Authentication.

The Series 2019 Area One Bonds shall be authenticated as set forth in the Master Indenture. No Series 2019 Area One Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, as provided in the Master Indenture.

SECTION 2.04 Purpose, Designation and Denominations of, and Interest Accruals on, the Series 2019 Area One Bonds.

(a) The Series 2019 Area One Bonds are being issued hereunder in order to provide funds to (i) pay a portion of the Costs of the Series 2019 Area One Project, (ii) fund the Series 2019 Area One Debt Service Reserve Account for the benefit of all of the Series 2019 Area One Bonds, (iii) pay the costs of issuance of the Series 2019 Area One Bonds, and (iv) pay the interest to become due on the Series 2019 Area One Bonds through [_____], 20[___]. The Series 2019 Area One Bonds shall be designated "Hunter's Ridge Community Development District No. 1 (Flagler County, Florida) Special Assessment Bonds, Series 2019 (Assessment Area One)" and shall be issued as fully registered bonds without coupons in Authorized Denominations.

(b) The Series 2019 Area One Bonds shall be dated the date of original issuance thereof. Interest on the Series 2019 Area One Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the Series 2019 Area One Bonds shall be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to May 1, 2019, in which case from the date of original issuance of the Series 2019 Area One Bonds, or unless the date of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date.

(c) Except as otherwise provided in Section 2.07 of this First Supplemental Indenture in connection with a book-entry only system of registration of the Series 2019 Area One Bonds, the principal or Redemption Price of the Series 2019 Area One Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent upon presentation of such Series 2019 Area One Bonds. Except as otherwise provided in Section 2.07 of this First Supplemental Indenture in connection with a book-entry only system of registration of the Series 2019 Area One Bonds, the payment of interest on the Series 2019 Area One Bonds shall be made on each Interest Payment Date to the Owners of the Series 2019 Area One Bonds by check or draft drawn on the Paying Agent and mailed on the applicable Interest Payment Date to each Owner as such Owner appears on the Bond Register maintained by the Registrar as of the close of business on the Regular Record Date, at his address as it appears on the Bond Register. Any interest on any Series 2019 Area One Bond which is payable, but is not punctually paid or provided for on any Interest Payment

Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Series 2019 Area One Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to such mailing, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, any Owner of Series 2019 Area One Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date.

SECTION 2.05 Debt Service on the Series 2019 Area One Bonds.

(a) The Series 2019 Area One Bonds will mature on May 1 in the years, be issued in the principal amounts and bear interest at the rates per annum, subject to the right of prior redemption in accordance with their terms, as follows.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
May 1, 20[]	[\$[]]	[]%
May 1, 20[]	[]	[]
May 1, 20[]	[]	[]
May 1, 20[]	[]	[]

(b) Interest on the Series 2019 Area One Bonds will be computed in all cases on the basis of a 360-day year comprised of twelve 30-day months. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by the Series 2019 Area One Bonds on the day before the default occurred.

SECTION 2.06 Disposition of Series 2019 Area One Bond Proceeds.

From the net proceeds of the Series 2019 Area One Bonds received by the Trustee, which shall be \$[] (reflecting the aggregate principal amount of the Series 2019 Area One Bonds of \$[], less original issue discount of \$[] and less an underwriter's discount of \$[] and retained by the Underwriter);

(a) \$[_____], which is an amount equal to the Series 2019 Area One Debt Service Reserve Requirement, shall be deposited in the Series 2019 Area One Debt Service Reserve Account of the Debt Service Reserve Fund;

(b) \$[_____] shall be deposited into the Series 2019 Area One Costs of Issuance Subaccount of the Series 2019 Area One Acquisition and Construction Account and applied to pay costs of issuance of the Series 2019 Area One Bonds;

(c) \$[_____] shall be deposited into the Series 2019 Area One Interest Account and applied to pay capitalized interest on the Series 2019 Area One Bonds through [_____] 1, 20[___]; and

(d) \$[_____], constituting all remaining proceeds of the Series 2019 Area One Bonds, shall be deposited in the Series 2019 Area One Acquisition and Construction Account of the Acquisition and Construction Fund to be applied to pay Costs of the Series 2019 Area One Project in accordance with Article V of the Master Indenture.

SECTION 2.07 Book-Entry Form of Series 2019 Area One Bonds.

The Series 2019 Area One Bonds shall be issued as one fully registered bond per maturity and deposited with The Depository Trust Company, New York, New York ("DTC"), which is responsible for establishing and maintaining records of ownership for its participants.

The Issuer shall enter into a letter of representations with DTC providing for such book-entry only system, in accordance with the provisions of Section 2.11 of the Master Indenture. Such agreement may be terminated at any time by either DTC or the Issuer. In the event of such termination, the Issuer shall select another securities depository. If the Issuer does not replace DTC within sixty (60) days of such termination and, in all instances, prior to the next Interest Payment Date, the Trustee will, at the expense of the Issuer, register and deliver to the Beneficial Owners replacement Series 2019 Area One Bonds in the form of fully registered Series 2019 Area One Bonds in accordance with the instructions from Cede & Co. While the Series 2019 Area One Bonds are registered in book-entry only, presentation of the Series 2019 Area One Bonds is not necessary for payment thereon.

SECTION 2.08 Appointment of Registrar and Paying Agent.

The Issuer shall keep, at the designated corporate trust office of the Registrar, books (the "Bond Register") for the registration, transfer and exchange of the Series 2019 Area One Bonds, and hereby appoints the Trustee, as its Registrar to keep such books and make such registrations, transfers, and exchanges as required hereby. The Trustee hereby accepts its appointment as Registrar and its duties and responsibilities as Registrar hereunder. Registrations, transfers and exchanges shall be without charge to the Bondholder requesting such registration, transfer or

exchange, but such Bondholder shall pay any taxes or other governmental charges on all registrations, transfers and exchanges.

The Issuer hereby appoints the Trustee as Paying Agent for the Series 2019 Area One Bonds. The Trustee hereby accepts its appointment as Paying Agent and its duties and responsibilities as Paying Agent hereunder.

SECTION 2.09 Conditions Precedent to the Issuance of the Series 2019 Area One Bonds.

In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2019 Area One Bonds, all the Series 2019 Area One Bonds shall be executed by the Issuer for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Issuer or upon its order, but only upon the further receipt by the Trustee of:

- (a) Certified copies of the Assessment Resolutions;
- (b) Executed originals of the Master Indenture and this First Supplemental Indenture;
- (c) An opinion of Counsel to the District addressed to the District and the Trustee substantially to the effect that (i) the Issuer has been duly established and validly exists as a community development district under the Act, (ii) the Issuer has good right and lawful authority under the Act to undertake the Series 2019 Area One Project being financed with the proceeds of the Series 2019 Area One Bonds, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body having lawful jurisdiction in order to construct, acquire, own and operate the Series 2019 Area One Project, (iii) all proceedings undertaken by the Issuer with respect to the Series 2019 Area One Special Assessments have been in accordance with Florida law, (iv) the Issuer has taken all action necessary to levy and impose the Series 2019 Area One Special Assessments, and (v) the Series 2019 Area One Special Assessments are legal, valid and binding liens upon the property against which such Series 2019 Area One Special Assessments are made, coequal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid;
- (d) A certificate of a Responsible Officer to the effect that, upon the authentication and delivery of the Series 2019 Area One Bonds, the Issuer will not be in default in the performance of the terms and provisions of the Master Indenture or this First Supplemental Indenture;
- (e) Executed copies of the Acquisition Agreement, Collateral Assignment, Completion Agreement and True-Up Agreement; and

(f) Copies of executed investor letters in the form attached hereto as **Exhibit A** if such investor letter is required, as determined by the Underwriter.

Delivery to the Trustee of the net proceeds from the issuance and sale of the Series 2019 Area One Bonds is conclusive evidence that the conditions precedent for authentication of the Series 2019 Area One Bonds have been met to the satisfaction of the District and the Underwriter.

ARTICLE III. REDEMPTION OF SERIES 2019 AREA ONE BONDS

SECTION 3.01 Redemption Dates and Prices.

The Series 2019 Area One Bonds shall be subject to redemption at the times and in the manner provided in Article VIII of the Master Indenture and in this Article III. All payments of the Redemption Price of the Series 2019 Area One Bonds shall be made on the dates hereinafter required. If less than all the Series 2019 Area One Bonds are to be redeemed pursuant to an optional redemption or an extraordinary mandatory redemption, the portions of the Series 2019 Area One Bonds to be redeemed shall be selected as provided in Section 8.03 of the Master Indenture unless specifically provided herein. Partial redemptions of Series 2019 Area One Bonds shall be made in such a manner that the remaining Series 2019 Area One Bonds held by each Bondholder shall be in Authorized Denominations, except for the last remaining Series 2019 Area One Bond of each maturity.

(a) Optional Redemption. The Series 2019 Area One Bonds may, at the option of the Issuer in writing, be called for redemption prior to maturity in whole, on any date, or in part on any Redemption Date, on or after May 1, 2030 (less than all Series 2019 Area One Bonds to be specified by the Issuer in writing), at a Redemption Price equal to 100% of the principal amount of Series 2019 Area One Bonds to be redeemed plus accrued interest from the most recent Interest Payment Date to the date of redemption.

(b) Extraordinary Mandatory Redemption in Whole or in Part. The Series 2019 Area One Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Redemption Date, **[in the manner determined by the Bond Registrar]** at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Series 2019 Area One Bonds to be redeemed, plus interest accrued to the date of redemption, as follows:

(i) from Series 2019 Area One Prepayments deposited into the Series 2019 Area One Prepayment Account of the Series 2019 Area One Bond Redemption Fund following the payment in whole or in part of Series 2019 Area One Special Assessments on any portion of the Series 2019 Area One Lands in accordance with the provisions of Section 4.05(a) of this First Supplemental Indenture.

(ii) on or after the Completion Date of the Series 2019 Area One Project, by application of moneys remaining in the Series 2019 Area One Acquisition and Construction Account of the Acquisition and Construction Fund not reserved by the Issuer for the payment of any remaining part of the Cost of the Series 2019 Area One Project, which has been transferred as specified in Section 4.01(a) hereof to the Series 2019 Area One General Account of the Series 2019 Area One Bond Redemption Fund, credited toward extinguishment of the Series 2019 Area One Special Assessments and applied toward the redemption of the Series 2019 Area One Bonds in accordance with the manner it has credited such excess moneys toward extinguishment of Series 2019 Area One Special Assessments which the Issuer shall describe to the Trustee in writing.

(iii) from moneys, if any, on deposit in the Series 2019 Area One Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Outstanding Series 2019 Area One Bonds and accrued interest thereon to the date of redemption in addition to all amounts owed to Persons under the Indenture.

(c) Mandatory Sinking Fund Redemption. The Series 2019 Area One Bond maturing on May 1, 20[___], is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2019 Area One Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% 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:

Year (May 1)	Sinking Fund Installment	Year (May 1)	Sinking Fund Installment
	\$		\$

* Final Maturity.

The Series 2019 Area One Bond maturing on May 1, 20[___], is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2019 Area One Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% 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:

Year (May 1)	Sinking Fund Installment	Year (May 1)	Sinking Fund Installment
	\$		\$

* Final Maturity.

The Series 2019 Area One Bond maturing on May 1, 20[___], is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2019 Area One Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% 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:

Year (May 1)	Sinking Fund Installment	Year (May 1)	Sinking Fund Installment
	\$		\$

* Final Maturity.

The Series 2019 Area One Bond maturing on May 1, 20[___], is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2019 Area One Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% 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:

Year (May 1)	Sinking Fund Installment	Year (May 1)	Sinking Fund Installment
	\$		\$

* Final Maturity.

SECTION 3.02 Notice of Redemption.

When required to redeem Series 2019 Area One Bonds under any provision of this First Supplemental Indenture or directed to redeem Series 2019 Area One Bonds by the Issuer, the Trustee shall give or cause to be given to Owners of the Series 2019 Area One Bonds to be redeemed notice of the redemption, as set forth in Section 8.02 of the Master Indenture.

**ARTICLE IV.
ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS;
ADDITIONAL COVENANTS OF THE ISSUER; PREPAYMENTS; REMOVAL OF SPECIAL
ASSESSMENT LIENS**

SECTION 4.01 Establishment of Certain Funds and Accounts.

(a) The Trustee shall establish a separate Account within the Acquisition and Construction Fund designated as the "Series 2019 Area One Acquisition and Construction Account." Proceeds of the Series 2019 Area One Bonds shall be deposited into the Series 2019 Area One Acquisition and Construction Account in the amount set forth in Section 2.06 of this First Supplemental Indenture, together with any excess moneys transferred to the Series 2019 Area One Acquisition and Construction Account, and such moneys in the Series 2019 Area One Acquisition and Construction Account shall be applied as set forth in Article V of the Master Indenture and Sections 4.01(a) and 3.01(b)(ii) of this First Supplemental Indenture. After the Completion Date of the Series 2019 Area One Project and after retaining in the Series 2019 Area One Acquisition and Construction Account the amount, if any, of all remaining unpaid Costs of the Series 2019 Area One Project set forth in the Consulting Engineer's Certificate establishing such Completion Date, any funds remaining in the Series 2019 Area One Acquisition and Construction Account shall be transferred to and deposited into the Series 2019 Area One General Account of the Series 2019 Area One Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2019 Area One Bonds, and the Series 2019 Area One Acquisition and Construction Account shall be closed.

There is hereby established within the Series 2019 Area One Acquisition and Construction Account of the Acquisition and Construction Fund held by the Trustee a "Series 2019 Area One Costs of Issuance Subaccount." Amounts in the Series 2019 Area One Costs of Issuance Subaccount shall be applied by the Trustee to pay the costs relating to the issuance of the Series 2019 Area One Bonds. Six months after the date of issuance of the Series 2019 Area One Bonds, any moneys remaining in the Series 2019 Area One Costs of Issuance Subaccount which have not been requisitioned by the Issuer to pay costs relating to the issuance of the Series 2019 Area One Bonds shall be deposited into the Series 2019 Area One Acquisition and Construction Account and applied as set forth in Article V of the Master Indenture and Section 4.01(a) of this First Supplemental Indenture, and the Series 2019 Area One Costs of Issuance Subaccount shall be closed.

(b) Pursuant to Section 6.03 of the Master Indenture, the Trustee shall establish a separate Account within the Revenue Fund designated as the "Series 2019 Area One Revenue Account." Series 2019 Area One Special Assessments (except for Series 2019 Area One Prepayments which shall be identified as such by the Issuer to the Trustee to be deposited in the Series 2019 Area One Prepayment Account) shall be deposited by the Trustee into the Series 2019 Area One Revenue Account which shall be applied as set forth in Article VI of the Master Indenture and Section 4.02 of this First Supplemental Indenture.

(c) [Reserved].

(d) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2019 Area One Interest Account." Proceeds of the Series 2019 Area One Bonds representing capitalized interest shall be deposited into such Account in the amount set forth in Section 2.06(c) of this First Supplemental Indenture. Moneys deposited into such Account pursuant to the Master Indenture and Section 4.02 of this First Supplemental Indenture, shall be applied for the purposes provided therein.

(e) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2019 Area One Sinking Fund Account." Moneys shall be deposited into such Account as provided in Article VI of the Master Indenture and Section 4.02 of this First Supplemental Indenture and applied for the purposes provided therein and in Section 3.01(c) of this First Supplemental Indenture.

(f) Pursuant to Section 6.05 of the Master Indenture, the Trustee shall establish an Account within the Debt Service Reserve Fund designated as the "Series 2019 Area One Debt Service Reserve Account."

(i) Proceeds of the Series 2019 Area One Bonds shall be deposited into the Series 2019 Area One Debt Service Reserve Account in the amount set forth in Section 2.06(a) of this First Supplemental Indenture, which account will be held for the benefit of all of the Series 2019 Area One Bonds, without privilege or priority of one Series 2019 Area One Bond over another, and such moneys, together with any other moneys deposited into such Account pursuant to the Master Indenture, shall be applied for the purposes provided therein and in this Section 4.01(f).

(ii) Earnings on investments in the Series 2019 Area One Debt Service Reserve Account shall be disposed of as follows:

(A) If as of the last date on which amounts on deposit in the Series 2019 Area One Debt Service Reserve Account were valued by the Trustee there was a deficiency in the Series 2019 Area One Debt Service Reserve Account,

or if after such date withdrawals have been made from the Series 2019 Area One Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the Series 2019 Area One Debt Service Reserve Account shall be deposited to the credit of the Series 2019 Area One Debt Service Reserve Account until the amounts on deposit therein equal the Series 2019 Area One Debt Service Reserve Requirement; and

(B) As long as no notice of an Event of Default under the Indenture has been delivered to the Trustee or if such Event of Default described in a notice has been cured or waived as provided in the Master Indenture, and the amount in the Series 2019 Area One Debt Service Reserve Account is not reduced below the then Series 2019 Area One Debt Service Reserve Requirement, then earnings on investments in such Account shall be applied as follows: (x) prior to the Completion Date of the Series 2019 Area One Project, to the Series 2019 Area One Acquisition and Construction Account of the Acquisition and Construction Fund, and (y) on and after the Completion Date of the Series 2019 Area One Project, to the Series 2019 Area One Revenue Account of the Revenue Fund. Upon the occurrence and continuance of an Event of Default, earnings on investments in the Series 2019 Area One Debt Service Reserve Account shall remain therein.

(g) Pursuant to Section 6.06 of the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Fund designated as the "Series 2019 Area One Bond Redemption Fund" and within such Fund, a "Series 2019 Area One General Account" and a "Series 2019 Area One Prepayment Account." Except as otherwise provided in this First Supplemental Indenture, moneys to be deposited into the Series 2019 Area One Bond Redemption Fund, as provided in Article VI of the Master Indenture shall be deposited to the Series 2019 Area One General Account of the Series 2019 Area One Bond Redemption Fund. Series 2019 Area One Prepayments shall be identified as such by the Issuer to the Trustee to then be deposited directly into the Series 2019 Area One Prepayment Account of the Series 2019 Area One Bond Redemption Fund, as provided in the Indenture.

(h) (i) Moneys in the Series 2019 Area One General Account (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to make such deposits into the Rebate Fund for the Series 2019 Area One Bonds, if any, as the Issuer may direct in writing in accordance with the Arbitrage Certificate, such moneys thereupon to be used solely for the purposes specified in the Arbitrage Certificate. Any moneys so transferred from the Series 2019 Area One General Account to the Rebate Fund shall thereupon be free from the lien and pledge of the Indenture;

SECOND, to be used to call for redemption pursuant to Section 3.01(b)(ii), (iii) and (iv) hereof an amount of Series 2019 Area One Bonds equal to the amount of money transferred to the Series 2019 Area One General Account pursuant to the aforesaid clauses or provisions, as appropriate, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in such clauses or provisions, as appropriate; and

THIRD, the remainder to be utilized by the Trustee, at the written direction of a Responsible Officer, to call for redemption such Series 2019 Area One Bonds that are subject to optional redemption pursuant to Section 3.01(a) hereof such amount of Series 2019 Area One Bonds as may be practicable; provided, however, that not less than \$5,000 principal amount of Bonds shall be called for redemption at one time.

(ii) Moneys in the Series 2019 Area One Prepayment Account of the Series 2019 Area One Bond Redemption Fund (including all earnings on investments therein) shall be accumulated therein to be used to call for redemption pursuant to Section 3.01(b)(i) hereof an amount of Series 2019 Area One Bonds equal to the amount of money transferred to the Series 2019 Area One Prepayment Account pursuant to the aforesaid provision, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in Section 3.01(b)(i) hereof.

SECTION 4.02 Series 2019 Area One Revenue Account.

The Trustee shall transfer from amounts on deposit in the Series 2019 Area One Revenue Account of the Revenue Fund to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, not later than the Business Day preceding each May 1 and November 1, to the Series 2019 Area One Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2019 Area One Bonds due on such May 1 or November 1, less any amount on deposit in the Series 2019 Area One Interest Account representing capitalized interest in accordance with Section 4.01(d) hereof and less any other amounts already on deposit in the Series 2019 Area One Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, to the Series 2019 Area One Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Series 2019 Area One Bonds subject to sinking fund redemption on such May 1, less any amount on deposit in the Series 2019 Area One Sinking Fund Account not previously credited;

THIRD, upon receipt but no later than the Business Day next succeeding each Interest Payment Date, to the Series 2019 Area One Debt Service Reserve Account an

amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2019 Area One Debt Service Reserve Requirement;

FOURTH, notwithstanding the foregoing, at any time the Series 2019 Area One Bonds are subject to redemption on a date which is not an Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2019 Area One Interest Account the amount necessary to pay interest on the Series 2019 Area One Bonds subject to redemption on such date; and

FIFTH, subject to the following paragraph, the balance of any moneys remaining after making the foregoing deposits shall remain in the Series 2019 Area One Revenue Account unless pursuant to the Arbitrage Certificate it is necessary to make a deposit into the Rebate Fund, in which case the Issuer shall direct the Trustee in writing to make such deposit thereto.

On or after each November 2, the Trustee shall transfer to the Issuer, at the Issuer's written direction, the balance on deposit in the Series 2019 Area One Revenue Account on such November 2 to be used for any lawful purpose of the Issuer; provided, however, that on the date of such proposed transfer the amount on deposit in the Series 2019 Area One Debt Service Reserve Account shall be equal to the Series 2019 Area One Debt Service Reserve Requirement and, provided, further, that no notice of an Event of Default under the Indenture has been delivered to the Trustee, including the payment of Trustee's fees and expenses then due.

SECTION 4.03 Power to Issue Series 2019 Area One Bonds and Create Lien.

The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Series 2019 Area One Bonds, to execute and deliver the Indenture and to pledge the Pledged Revenues for the benefit of the Series 2019 Area One Bonds to the extent set forth herein. The Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Series 2019 Area One Bonds, except for Bonds issued to refund all or a portion of the Series 2019 Area One Bonds. The Series 2019 Area One Bonds and the provisions of the Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Owners of the Series 2019 Area One Bonds under the Indenture against all claims and demands of all persons whomsoever.

SECTION 4.04 Series 2019 Area One Project to Conform to Plans and Specifications; Changes.

The Issuer will proceed to complete the Series 2019 Area One Project, as described in the Engineer's Report, in accordance with the plans and specifications therefor, as such plans and specifications may be amended by the Issuer from time to time; provided that prior to any such

amendment of the plans and specifications for the Series 2019 Area One Project, the Consulting Engineer shall have delivered its certificate approving the proposed amendment to such plans and specifications.

SECTION 4.05 Prepayments; Removal of Special Assessment Liens.

(a) At any time any owner of property subject to the Series 2019 Area One Special Assessments may, at its option, or under certain circumstances described in the Assessment Resolutions in connection with Prepayments derived from application of the "true-up" mechanism therein, require the Issuer to reduce or release and extinguish the lien upon its property by virtue of the levy of the Series 2019 Area One Special Assessments by paying to the Issuer all or a portion of the Series 2019 Area One Special Assessment which shall constitute Series 2019 Area One Prepayments as directed in writing by the Issuer pursuant to the provisions of Section 4.01(h)(ii) of this First Supplemental Indenture, plus accrued interest to the next succeeding Redemption Date (or the second succeeding Redemption Date if such prepayment is made within forty-five (45) calendar days before a Redemption Date), attributable to the property subject to Series 2019 Area One Special Assessment owned by such owner. The written instructions shall be delivered to the Trustee on the 46th day prior to a Redemption Date.

(b) Upon receipt of Series 2019 Area One Prepayments as described in paragraph (a) above, which includes accrued interest to the next succeeding Redemption Date (or the second succeeding Redemption Date if such prepayment is made within forty-five (45) calendar days before a Redemption Date), subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee and clearly identify in writing such amounts as a Series 2019 Area One Prepayment and the Issuer shall take such action as is necessary to record in the official records of the County an affidavit or affidavits, as the case may be, executed by the District Manager, to the effect that the Series 2019 Area One Special Assessment has been paid in whole or in part and that such Series 2019 Area One Special Assessment lien is thereby reduced, or released and extinguished, as the case may be. Upon receipt of any such moneys from the Issuer the Trustee shall immediately deposit the same into the Series 2019 Area One Prepayment Account of the Series 2019 Area One Bond Redemption Fund to be applied in accordance with Section 4.01(h)(ii) of this First Supplemental Indenture, to the redemption of Series 2019 Area One Bonds in accordance with Section 3.01(b)(i) of this First Supplemental Indenture.

The Trustee may conclusively rely on the Issuer's determination of what moneys constitute Prepayments. The Trustee shall calculate the amount available for the extraordinary mandatory redemption of the applicable Series 2019 Area One Bonds pursuant to Section 3.01(b)(i) of this First Supplemental Indenture on each March 15, June 15, September 15 and December 15.

ARTICLE V.
ADDITIONAL COVENANTS OF THE ISSUER

SECTION 5.01 Collection of Series 2019 Area One Special Assessments.

Notwithstanding Section 9.04 of the Master Trust Indenture, the Series 2019 Area One Special Assessments shall be directly collected and enforced by the Issuer pursuant to the provisions of the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto; provided, however, Series 2019 Area One Special Assessments levied on platted lots not owned by the Developer and pledged hereunder to secure the Series 2019 Area One Bonds will be collected pursuant to the Uniform Method pursuant to Section 9.04 of the Master Trust Indenture. The Issuer covenants to enter into a Property Appraiser and Tax Collector Agreement with the County in order to comply with the provisions of this Section.

Notwithstanding the immediately preceding paragraph or any other provision in the Indenture to the contrary, upon the occurrence of an Event of Default, if the Trustee, acting at the written direction of the Majority Owners of the Series 2019 Area One Bonds, requests that the Issuer not use the Uniform Method, but instead collect and enforce Series 2019 Area One Special Assessments pursuant to another available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto, then the Issuer shall collect and enforce said Series 2019 Area One Special Assessments in the manner and pursuant to the method so requested by the Trustee.

Any Series 2019 Area One Special Assessments that are not collected pursuant to the Uniform Method shall be billed directly to the applicable landowner and be payable not later than thirty (30) days prior to each Interest Payment Date.

SECTION 5.02 Additional Covenant Regarding Series 2019 Area One Special Assessments.

In addition to, and not in limitation of, the covenants contained elsewhere in the Indenture, the Issuer covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2019 Area One Special Assessments, including the Assessment Resolution and the Assessment Methodology, and to levy the Series 2019 Area One Special 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 2019 Area One Bonds, when due. The Assessment Methodology shall not be amended in a manner that materially impacts the methodology used therein without written consent of the Majority Owners of the Series 2019 Area One Bonds.

SECTION 5.03 Foreclosure of Assessment Lien.

Notwithstanding Section 9.06 of the Master Indenture or any other provision of the Indenture to the contrary, the following provisions shall apply with respect to the Series 2019 Area One Special Assessments and Series 2019 Area One Bonds.

If any property shall be offered for sale for the nonpayment of any Series 2019 Area One Special Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2019 Area One Special 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 2019 Area One Special 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 2019 Area One Bonds; provided that the Trustee shall have the right, acting at the written direction of the Majority Owners of the Series 2019 Area One Bonds, but shall not be obligated, to direct the District with respect to any action taken pursuant to this Section. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the related Series 2019 Area One Revenue Account. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for sale of property acquired by it as trustee for the Owners of the Series 2019 Area One Bonds within thirty (30) days after the receipt of the request therefor signed by the Trustee or the Majority Owners of the Series 2019 Area One Bonds.

SECTION 5.04 No Parity Bonds; Limitation on Parity Liens.

The Issuer covenants and agrees that so long as there are any Series 2019 Area One Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Pledged Revenues, except for refunding bonds. The Issuer further covenants and agrees that so long as the Series 2019 Area One Special Assessments have not been Substantially Absorbed, it shall not issue any Bonds secured by Special Assessments for capital projects on lands subject at such time to the Series 2019 Area One Special Assessments without the consent of the Majority Owners; provided, however, that the foregoing shall not preclude the imposition of Special Assessments for capital projects necessary for health, safety, and welfare reasons, to remediate a natural disaster, or imposed prior to the issuance of the Series 2019 Area One Bonds. Notwithstanding the foregoing, the Issuer covenants and agrees that it shall not issue any Bonds secured by Special Assessments for capital projects if there shall be occurred and be continuing any Event of Default with respect to any Series of Bonds issued under the Master Indenture. The Trustee shall be entitled to assume that the Series 2019 Area One Special Assessments have not been Substantially Absorbed absent the written certification to the contrary from the Issuer.

SECTION 5.05 Acknowledgment Regarding Series 2019 Area One Acquisition and Construction Account Moneys Following an Event of Default.

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In accordance with the provisions of the Indenture, upon the occurrence of an Event of Default with respect to the Series 2019 Area One Bonds, the Series 2019 Area One Bonds are payable solely from the Pledged Revenues and any other moneys held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the Issuer hereby acknowledges that, upon the occurrence of an Event of Default with respect to the Series 2019 Area One Bonds, (i) the Pledged Revenues include, without limitation, all amounts on deposit in the Series 2019 Area One Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) the Pledged Revenues may not be used by the Issuer (whether to pay Costs of the Series 2019 Area One 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 2019 Area One Project and payment is for such work of the Series 2019 Area One Bonds and (iii) the Pledged Revenues may be used by the Trustee, at the written direction or with the written approval of the Majority Owners of the Series 2019 Area One Bonds, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture or as otherwise provided in the Master Indenture. The District shall not enter into any binding agreement with respect to the Series 2019 Area One Project after the occurrence of an Event of Default unless authorized in writing by the Majority Owners.

SECTION 5.06 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 written direction of the Majority Owners of the Series 2019 Area One Bonds 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 the True-Up Agreement upon demand of the Majority Owners of the Series 2019 Area One Bonds, or the Trustee at the written direction of the Majority Owners of the Series 2019 Area One Bonds, shall constitute an Event of Default under the Indenture without benefit of any period for cure.

SECTION 5.07 Assignment of District's Rights Under Collateral Assignment.

The District hereby assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of Bonds Outstanding under the Indenture. The Trustee shall act in accordance with the written directions of the Majority Owners of the Series 2019 Area One Bonds.

ARTICLE VI.
MISCELLANEOUS PROVISIONS

SECTION 6.01 Interpretation of Supplemental Indenture.

This First Supplemental Indenture amends and supplements the Master Indenture with respect to the Series 2019 Area One Bonds, and all of the provisions of the Master Indenture, to the extent not inconsistent herewith, are incorporated in this First Supplemental Indenture by reference. To the maximum extent possible, the Master Indenture and the Supplemental Indenture shall be read and construed as one document.

SECTION 6.02 Amendments.

Any amendments to this First Supplemental Indenture shall be made pursuant to the provisions for amendment contained in the Master Indenture.

SECTION 6.03 Counterparts.

This First Supplemental Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 6.04 Appendices and Exhibits.

Any and all schedules, appendices or exhibits referred to in and attached to this First Supplemental Indenture are hereby incorporated herein and made a part of this First Supplemental Indenture for all purposes.

SECTION 6.05 Payment Dates.

In any case in which an Interest Payment Date, principal payment date or the maturity date of the Series 2019 Area One Bonds or the date fixed for the redemption of any Series 2019 Area One Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

SECTION 6.06 No Rights Conferred on Others.

Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Series 2019 Area One Bonds.

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IN WITNESS WHEREOF, Hunter's Ridge Community Development District No. 1 has caused this First Supplemental Trust Indenture to be executed by the Chair of its Board of Supervisors and its corporate seal to be hereunto affixed and attested by an Assistant Secretary of its Board of Supervisors and U.S. Bank National Association has caused this First Supplemental Trust Indenture to be executed by a Vice President, all as of the day and year first above written.

SEAL

**HUNTER'S RIDGE COMMUNITY
DEVELOPMENT DISTRICT NO. 1**

Attest:

By: _____
Chair, Board of Supervisors

Assistant Secretary,
Board of Supervisors

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Vice President

EXHIBIT A

FORM OF INVESTOR LETTER

[Date]

FMSbonds, Inc.
20660 W. Dixie Highway
North Miami Beach, Florida 33180

Re: \$[_____] Hunter's Ridge Community Development District No. 1
Special Assessment Bonds, Series 2019 (Assessment Area One)

Ladies and Gentlemen:

The undersigned is authorized to sign this letter [on behalf of Name of Non-Individual Investor], as the beneficial owner (the "Investor") of \$_____ of the above-referenced Bonds [state maturing on [November] 1, _____, bearing interest at the rate of ___% per annum and CUSIP #] (herein, the "Investor Bonds").

In connection with the purchase of the Investor Bonds by the Investor, the Investor hereby makes the following representations upon which you may rely:

1. The Investor has authority to purchase the Investor Bonds and to execute this letter, any other instruments and documents required to be executed by the Investor in connection with the purchase of the Investor Bonds.

2. The Investor meets the criteria of an "accredited investor" as described in one or more of the categories derived from Rule 501(a) under Regulation D of the Securities Act of 1933, as amended (the "Securities Act") summarized below, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations including those which are not rated or credit-enhanced, to be able to evaluate the risks and merits of the investment represented by the Bonds. Please check the appropriate box below to indicate the type of accredited investor:

a bank, insurance company, registered investment company, business development company, or small business investment company;

an employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of \$5 million;

a charitable organization, corporation, or partnership with assets exceeding \$5 million;

a business in which all the equity owners are "accredited investors";

a natural person who has individual net worth, or joint net worth with the person's spouse, that exceeds \$1 million at the time of the purchase, excluding the value of the primary residence of such person, except that mortgage indebtedness on the primary residence shall not be included as a liability;

a natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year; or

a trust with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the Investor Bonds whose purchase is directed by a sophisticated person.

3. The Investor has been supplied with an (electronic) copy of the Preliminary Limited Offering Memorandum dated [_____], 20[___] of the Issuer and relating to the Bonds (the "Offering Document") and has reviewed the Offering Document and represents that such Offering Document has provided full and meaningful disclosure in order to make an informed decision to invest in the Investor Bonds.

Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Indenture.

Very truly yours,

[Name], [Type of Entity]

By: _____

Name: _____

Title: _____

Date: _____

Or

[Name], an Individual

**HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1**

12Aiii

SECOND SUPPLEMENTAL TRUST INDENTURE

BETWEEN

HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1

AND

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of January 1, 2019

Authorizing and Securing

\$_[_____]

HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1
(Flagler County, Florida)
Special Assessment Bonds, Series 2019A (Assessment Area Two)

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THIS SECOND SUPPLEMENTAL TRUST INDENTURE dated as of January 1, 2019 (the "Second Supplemental Indenture") between **HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1** (the "Issuer" or the "District"), a local unit of special-purpose government organized and existing under the laws of the State of Florida, and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association duly organized and existing under the laws of the United States of America, with its designated corporate trust office located at 550 W. Cypress Creek Road, Suite #380, Fort Lauderdale, Florida 33309 (said banking association and any bank or trust company becoming successor trustee under this Second Supplemental Indenture being hereinafter referred to as the "Trustee");

W I T N E S S E T H:

WHEREAS, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act") by Ordinance No. 2014-01 enacted by the Board of County Commissioners of Flagler County, Florida (the "County") on April 21, 2014, for the purpose, among other things, of financing and managing the design, acquisition, construction, maintenance, and operation of systems, facilities and basic infrastructure within and without the boundaries of the premises to be governed by the Issuer; and

WHEREAS, the premises governed by the Issuer (referred to herein as the "District Lands") are described more fully in Exhibit A to the Master Trust Indenture dated as of January 1, 2019 (the "Master Indenture"), between the District and the Trustee, and currently consists of approximately 214 acres of land located entirely within the County; and

WHEREAS, the Issuer has been created for the purpose of delivering certain community development services and facilities for the benefit of the District Lands; and

WHEREAS, the Issuer has determined to undertake, in one or more stages, the acquisition and construction of certain public infrastructure and associated professional fees and incidental costs related thereto pursuant to the Act for the special benefit of the District Lands (as further described in Exhibit B to the Master Indenture, the "Capital Improvement Program"); and

WHEREAS, the Board of Supervisors of the Issuer (the "Board") duly adopted Resolution No. 2014-18 on July 18, 2014 (the "Initial Bond Resolution"), authorizing, among other things, the issuance, in one or more series, of not to exceed \$8,085,000 aggregate principal amount of its Hunter's Ridge Community Development District No. 1 Special Assessment Bonds in order to pay all or a portion of the costs of the planning, financing, acquisition, construction, reconstruction, equipping and installation of the Capital Improvement Program; and

WHEREAS, the District's Resolution No. 2019-06 was duly adopted by the Board on December 5, 2018, authorizing, among other things, the sale of its Special Assessment Bonds, Series 2019A (Assessment Area Two) (the "Series 2019A Area Two Bonds") which are issued hereunder, as one Series of Bonds under, and as defined in, the Master Indenture, and has authorized the execution and delivery of the Master Indenture and this Second Supplemental Indenture to secure the issuance of the Series 2019A Area Two Bonds and to set forth the terms of the Series 2019A Area Two Bonds; and

WHEREAS, the District will apply the proceeds of the Series 2019A Area Two Bonds to: (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Series 2019 Area Two Project (as defined herein); (ii) pay certain costs associated with the issuance of the Series 2019A Area Two Bonds; (iii) make a deposit into the Series 2019A Area Two Debt Service Reserve Account which account will be held for the benefit of all of the Series 2019A Area Two Bonds, without privilege or priority of one Series 2019A Area Two Bond over another; and (iv) pay the interest to become due on the Series 2019A Area Two Bonds through [_____] 1, 20[___]; and

WHEREAS, simultaneously with the issuance of the Series 2019A Area Two Bonds the Issuer is issuing its Hunter's Ridge Community Development District No. 1 Special Assessment Bonds, Series 2019 (Assessment Area One) (the "Series 2019 Area One Bonds") to finance the Series 2019 Area One Project (as defined herein) and its Hunter's Ridge Community Development District No. 1 Special Assessment Bonds, Series 2019B (Assessment Area Two) (the "Series 2019B Area Two Bonds" and together with the Series 2019A Area Two Bonds, the "Series 2019 Area Two Bonds") to finance the Series 2019 Area Two Project; and

WHEREAS, the Series 2019A Area Two Bonds will be secured by a pledge of the Pledged Revenues (as hereinafter defined) to the extent provided herein, which Pledged Revenues consist primarily of the Series 2019A Area Two Special Assessments (as hereinafter defined) levied on that portion of the District Lands benefitted by the Series 2019 Area Two Project; and

NOW, THEREFORE, THIS SECOND SUPPLEMENTAL INDENTURE WITNESSETH, that to provide for the issuance of the Series 2019A Area Two Bonds, the security and payment of the principal or redemption price thereof (as the case may be) and interest thereon, the rights of the Bondholders and the performance and observance of all of the covenants contained herein and in said Series 2019A Area Two Bonds, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Series 2019A Area Two Bonds by the Owners thereof, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer does hereby assign, transfer, set over and pledge to the Trustee, its successors in trust and its assigns forever, and grants a lien on all of the right, title and interest of the Issuer in and to the Pledged Revenues as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Series 2019A Area Two Bonds issued

hereunder and any other amounts owed hereunder, and any Bonds issued on a parity with the Series 2019A Area Two Bonds, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

TO HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien created by the Indenture.

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future Owners of the Series 2019A Area Two Bonds issued and to be issued under this Second Supplemental Indenture, without preference, priority or distinction as to lien or otherwise (except as otherwise specifically provided in this Second Supplemental Indenture) of any one Series 2019A Area Two Bond over any other Series 2019A Area Two Bond, all as provided in the Indenture (as hereinafter defined), and any Bonds issued on a parity with the Series 2019A Area Two Bonds.

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal or redemption price of the Series 2019A Area Two Bonds issued, and any Bonds issued on a parity with the Series 2019A Area Two Bonds, secured and Outstanding hereunder and the interest due or to become due thereon, at the times and in the manner mentioned in such Series 2019A Area Two Bonds and the Indenture, according to the true intent and meaning thereof and hereof, and the Issuer shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Second Supplemental Indenture and the rights hereby granted shall cease and terminate, otherwise this Second Supplemental Indenture to be and remain in full force and effect.

ARTICLE I. DEFINITIONS

In this Second Supplemental Indenture capitalized terms used without definition shall have the meanings ascribed thereto in the Master Indenture and, in addition, the following terms shall have the meanings specified below, unless otherwise expressly provided or unless the context otherwise requires:

"Acquisition Agreement" shall mean, collectively, that certain [Agreement Regarding the Acquisition of Certain Work Product and Infrastructure], dated [_____, 20[___], by and between the District and the Developer of Parcels D/E and that certain [Agreement Regarding the Acquisition of Certain Work Product and Infrastructure], dated [_____, 20[___], by and between the District and the Developer of Parcel F.

"Arbitrage Certificate" shall mean that certain Arbitrage Certificate of the Issuer, dated [_____] [____], 20[___], relating to certain restrictions on arbitrage under the Code.

"Assessment Methodology" shall mean, collectively, the Hunter's Ridge Community Development District No. 1 Preliminary Master Special Assessment Methodology Report dated May 21, 2014, as amended by the Hunter's Ridge Community Development District No. 1 First Addendum to Master Special Assessment Methodology Report dated December 5, 2018, as supplemented by the [Final Supplemental Special Assessment Methodology Report] dated [_____] [____], 20[___], each as prepared by the Methodology Consultant and relating to the Series 2019 Area One Bonds and the Series 2019 Area Two Bonds, including, without limitation, all exhibits and appendices thereto.

"Assessment Resolutions" shall mean Resolution Nos. 20[___]-[___], 20[___]-[___], 20[___]-[___] and 20[___]-[___] of the Issuer adopted [_____] [____], 20[___], [_____] [____], 20[___], [_____] [____], 20[___] and [_____] [____], 20[___], respectively, as amended and supplemented from time to time.

"Authorized Denomination" shall mean, with respect to the Series 2019A Area Two Bonds, \$5,000 or any integral multiple thereof; provided however, if any initial beneficial owner does not purchase at least \$100,000 of the Series 2019A Area Two Bonds at the time of initial delivery of the Series 2019A Area Two Bonds, such beneficial owner must either execute and deliver to the Underwriter on the date of delivery of the Series 2019A Area Two Bonds the investor letter substantially in the form attached hereto as **Exhibit A** or otherwise establish to the satisfaction of the Underwriter that such beneficial owner is an "accredited investor," as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended.

"Collateral Assignment" shall mean, collectively, the [Collateral Assignment and Assumption of Development and Contract Rights], dated [_____] [____], 20[___], by the Developer of Parcels D/E in favor of the District and the [Collateral Assignment and Assumption of Development and Contract Rights], dated [_____] [____], 20[___], by the Developer of Parcel F in favor of the District.

"Completion Agreement" shall mean, collectively, the [Completion Agreement] by and between the District and the Developer of Parcels D/E, dated [_____] [____], 20[___], as such agreement may be modified from time to time, and the [Completion Agreement] by and between the District and the Developer of Parcel F, dated [_____] [____], 20[___], as such agreement may be modified from time to time.

"Developers" shall mean, together, the Developer of Parcels D/E and the Developer of Parcel F.

"Developer of Parcel F" shall mean [_____], a [_____], and any affiliate or any entity which succeeds to its interests and assumes any or all of the responsibilities of said entity, as the developer of the Parcel F Project.

"Developer of Parcels D/E" shall mean BADC Huntington Communities, LLC, a Florida limited liability company, and any affiliate or any entity which succeeds to its interests and assumes any or all of the responsibilities of said entity, as the developer of the Parcel D Project and the Parcel E Project.

"District Manager" shall mean the person or entity serving as the Issuer's District Manager from time to time. The initial District Manager shall be Wrathell, Hunt & Associates, LLC.

"Engineer's Report" shall mean, collectively, the Engineer's Report for Hunter's Ridge Community Development District No. 1 dated May 2014 and revised November 28, 2018, prepared by Zev Cohen & Associates, Inc.

"Indenture" shall mean, collectively, the Master Indenture and this Second Supplemental Indenture.

"Interest Payment Date" shall mean May 1 and November 1 of each year, commencing [May 1, 2019].

"Majority Owners" shall mean the Beneficial Owners of more than fifty percent (50%) of the aggregate principal amount of the Bonds then Outstanding to which such reference is made and, if no such reference is made, shall mean the Beneficial Owners of more than fifty percent (50%) in principal amount of the Outstanding Series 2019A Area Two Bonds.

"Methodology Consultant" shall mean, initially, Wrathell, Hunt & Associates, or such successor Methodology Consultant appointed by the District.

"Parcel D" shall mean that portion of the District Lands known as Huntington Villas and designated as parcel (D) in the Engineer's Report.

"Parcel E" shall mean that portion of the District Lands known as Huntington Green and designated as parcel (E) in the Engineer's Report.

"Parcel F" shall mean that portion of the District Lands known as Deerfield Estates and designated as parcel (F) in the Engineer's Report.

"Parcel D Project" shall mean the portion of the Capital Improvement Program being developed on and benefitting Parcel D and financed with proceeds of the Series 2019A Area Two Bonds and the Series 2019B Area Two Bonds on deposit in the Series 2019 Area Two

Acquisition and Construction Subaccount – Parcel D of the Series 2019 Area Two Acquisition and Construction Account.

"Parcel E Project" shall mean the portion of the Capital Improvement Program being developed on and benefitting Parcel E and financed with proceeds of the Series 2019A Area Two Bonds and the Series 2019B Area Two Bonds on deposit in the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel E of the Series 2019 Area Two Acquisition and Construction Account.

"Parcel F Project" shall mean the portion of the Capital Improvement Program being developed on and benefitting Parcel F and financed with proceeds of the Series 2019A Area Two Bonds and the Series 2019B Area Two Bonds on deposit in the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel F of the Series 2019 Area Two Acquisition and Construction Account.

"Paying Agent" shall mean the Trustee, and its successors and assigns as Paying Agent hereunder.

"Pledged Revenues" shall mean, with respect to the Series 2019A Area Two Bonds (a) all revenues received by the Issuer from the Series 2019A Area Two Special Assessments levied and collected on that portion of the District Lands benefited by the Series 2019 Area Two Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2019A Area Two Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2019A Area Two Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture; provided, however, that the Series 2019 Area Two Acquisition and Construction Account shall be held jointly for the benefit of all of the Series 2019 Area Two Bonds without privilege or priority of one such Series over another; and provided further, however, that Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) "special assessments" levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the Issuer under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso).

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

"Registrar" shall mean the Trustee, and its successors and assigns as Registrar hereunder.

"Regular Record Date" shall mean the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date.

"Resolution" shall mean, collectively, Resolution No. 2014-18 of the Issuer adopted on July 18, 2014, as supplemented by Resolution No. 2019-06 of the Issuer adopted on December 5, 2018.

"Second Supplemental Indenture" shall mean this Second Supplemental Trust Indenture dated as of January 1, 2019, by and between the District and the Trustee, as supplemented or amended.

"Series 2019 Area One Project" shall mean the portion of the Capital Improvement Program financed with proceeds of the Series 2019 Area One Bonds.

"Series 2019 Area Two Acquisition and Construction Account" shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this Second Supplemental Indenture.

"Series 2019 Area Two Acquisition and Construction Subaccount – Parcel D" shall mean the Account so designated, established as a separate Subaccount within the Series 2019 Area Two Acquisition and Construction Account pursuant to Section 4.01(a) of this Second Supplemental Indenture.

"Series 2019 Area Two Acquisition and Construction Subaccount – Parcel E" shall mean the Account so designated, established as a separate Subaccount within the Series 2019 Area Two Acquisition and Construction Account pursuant to Section 4.01(a) of this Second Supplemental Indenture.

"Series 2019 Area Two Acquisition and Construction Subaccount – Parcel F" shall mean the Account so designated, established as a separate Subaccount within the Series 2019 Area Two Acquisition and Construction Account pursuant to Section 4.01(a) of this Second Supplemental Indenture.

"Series 2019 Area Two Project" shall mean, collectively, the Parcel D Project, the Parcel E Project and the Parcel F Project.

"Series 2019A Area Two Bond Redemption Fund" shall mean the Series 2019A Area Two Bond Redemption Fund established pursuant to Section 4.01(g) of this Second Supplemental Indenture.

"Series 2019A Area Two Costs of Issuance Subaccount" shall mean the Account so designated, established as a separate Subaccount within the Series 2019 Area Two Acquisition and Construction Account pursuant to Section 4.01(a) of this Second Supplemental Indenture.

"Series 2019A Area Two Debt Service Reserve Account" shall mean the Account so designated, established as a separate Account within the Debt Service Reserve Fund pursuant to Section 4.01(f) of this Second Supplemental Indenture.

"Series 2019A Area Two Debt Service Reserve Requirement" shall mean an amount equal to the maximum annual Debt Service Requirement for the Series 2019A Area Two Bonds as of the date of initial issuance of the Series 2019A Area Two Bonds, which on the date of initial issuance shall be \$[_____].

"Series 2019A Area Two General Account" shall mean the Account so designated, established as a separate Account under the Series 2019A Area Two Bond Redemption Fund pursuant to Section 4.01(g) of this Second Supplemental Indenture.

"Series 2019A Area Two Interest Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(d) of this Second Supplemental Indenture.

"Series 2019A Area Two Lands" shall mean that portion of the District Lands subject to the lien of the Series 2019A Area Two Special Assessments.

"Series 2019A Area Two Prepayment" shall mean the payment by any owner of property of the amount of Series 2019A Area Two Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments and prepayments which become due pursuant to the "true-up" mechanism contained in the Assessment Resolutions and the True-Up Agreement. "Prepayments" shall include, without limitation, Series 2019A Area Two Prepayment Principal.

"Series 2019A Area Two Prepayment Account" shall mean the Account so designated, established as a separate Account under the Series 2019A Area Two Bond Redemption Fund pursuant to Section 4.01(g) of this Second Supplemental Indenture.

"Series 2019A Area Two Prepayment Principal" shall mean the portion of a Prepayment corresponding to the principal amount of Series 2019A Area Two Special Assessments being prepaid.

"Series 2019A Area Two Revenue Account" shall mean the Account so designated, established as a separate Account within the Revenue Fund pursuant to Section 4.01(b) of this Second Supplemental Indenture.

"Series 2019A Area Two Sinking Fund Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(e) of this Second Supplemental Indenture.

"Series 2019A Area Two Special Assessments" shall mean the Special Assessments levied on that portion of the District Lands specially benefitted by the Series 2019 Area Two Project or any portion thereof, which assessments correspond in amount to the debt service on the Series 2019A Area Two Bonds.

"Series 2019B Area Two Special Assessments" shall mean the Special Assessments levied on that portion of the District Lands specially benefitted by the Series 2019 Area Two Project or any portion thereof, which assessments correspond in amount to the debt service on the Series 2019B Area Two Bonds.

"Substantially Absorbed" shall mean the date on which a principal amount of the Series 2019A Area Two Special Assessments equaling one hundred percent (100%) of the then Outstanding principal amount of the Series 2019A Area Two Bonds are levied on the Series 2019A Area Two Lands with respect to which a certificate of occupancy has been issued for a structure thereon. Satisfaction of the foregoing definition shall be evidenced by the delivery by the Issuer to the Trustee of a written certificate of the Methodology Consultant to such effect and upon which the Trustee may conclusively rely.

"Third Supplemental Indenture" shall mean the Third Supplemental Trust Indenture dated as of January 1, 2019, by and between the District and the Trustee, as supplemented or amended, and securing the Series 2019B Area Two Bonds.

"True-Up Agreement" shall mean, collectively, the [True-Up Agreement], between the [District, the Developer of Parcels D/E and the District Manager], dated [_____], 20[___] and the [True-Up Agreement], between the [District, the Developer of Parcel F and the District Manager], dated [_____].

"Trustee" shall mean U.S. Bank National Association, a national banking association, and its successors and assigns.

"Underwriter" shall mean FMSbonds, Inc.

"Uniform Method" shall mean the uniform method for the levy, collection and enforcement of Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, as amended.

The words "hereof," "herein," "hereto," "hereby," and "hereunder" (except in the forms of Series 2019A Area Two Bonds), refer to the entire Indenture.

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

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

ARTICLE II.
THE SERIES 2019A AREA TWO BONDS

SECTION 2.01 Amounts and Terms of Series 2019A Area Two Bonds; Issue of Series 2019A Area Two Bonds.

No Series 2019A Area Two Bonds may be issued under this Second Supplemental Indenture except in accordance with the provisions of this Article and Articles II and III of the Master Indenture.

(a) The total principal amount of Series 2019A Area Two Bonds that may be issued under this Second Supplemental Indenture is expressly limited to \$[_____]. The Series 2019A Area Two Bonds shall be numbered consecutively from R-1 and upwards.

(b) Any and all Series 2019A Area Two Bonds shall be issued substantially in the form attached as Exhibit C to the Master Indenture, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture and with such additional changes as may be necessary or appropriate to conform to the provisions of the Resolution and this Second Supplemental Indenture. The Issuer shall issue the Series 2019A Area Two Bonds upon execution of this Second Supplemental Indenture and satisfaction of the requirements of Section 3.01 of the Master Indenture; and the Trustee shall, at the Issuer's written request, authenticate such Series 2019A Area Two Bonds and deliver them as specified in the request.

SECTION 2.02 Execution.

The Series 2019A Area Two Bonds shall be executed by the Issuer as set forth in the Master Indenture.

SECTION 2.03 Authentication.

The Series 2019A Area Two Bonds shall be authenticated as set forth in the Master Indenture. No Series 2019A Area Two Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, as provided in the Master Indenture.

SECTION 2.04 Purpose, Designation and Denominations of, and Interest Accruals on, the Series 2019A Area Two Bonds.

(a) The Series 2019A Area Two Bonds are being issued hereunder in order to provide funds to (i) pay a portion of the Costs of the Series 2019 Area Two Project, (ii) fund the Series 2019A Area Two Debt Service Reserve Account for the benefit of all of the Series 2019A Area Two Bonds, (iii) pay the costs of issuance of the Series 2019A Area Two Bonds, and (iv) pay the interest to become due on the Series 2019A Area Two Bonds through [_____], 20[___]. The Series 2019A Area Two Bonds shall be designated "Hunter's Ridge Community

Development District No. 1 (Flagler County, Florida) Special Assessment Bonds, Series 2019A (Assessment Area Two)," and shall be issued as fully registered bonds without coupons in Authorized Denominations.

(b) The Series 2019A Area Two Bonds shall be dated the date of original issuance thereof. Interest on the Series 2019A Area Two Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the Series 2019A Area Two Bonds shall be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to May 1, 2019, in which case from the date of original issuance of the Series 2019A Area Two Bonds, or unless the date of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date.

(c) Except as otherwise provided in Section 2.07 of this Second Supplemental Indenture in connection with a book-entry only system of registration of the Series 2019A Area Two Bonds, the principal or Redemption Price of the Series 2019A Area Two Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent upon presentation of such Series 2019A Area Two Bonds. Except as otherwise provided in Section 2.07 of this Second Supplemental Indenture in connection with a book-entry only system of registration of the Series 2019A Area Two Bonds, the payment of interest on the Series 2019A Area Two Bonds shall be made on each Interest Payment Date to the Owners of the Series 2019A Area Two Bonds by check or draft drawn on the Paying Agent and mailed on the applicable Interest Payment Date to each Owner as such Owner appears on the Bond Register maintained by the Registrar as of the close of business on the Regular Record Date, at his address as it appears on the Bond Register. Any interest on any Series 2019A Area Two Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Series 2019A Area Two Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to such mailing, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, any Owner of Series 2019A Area Two Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until

rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date.

SECTION 2.05 Debt Service on the Series 2019A Area Two Bonds.

(a) The Series 2019A Area Two Bonds will mature on May 1 in the years, be issued in the principal amounts and bear interest at the rates per annum, subject to the right of prior redemption in accordance with their terms, as follows.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
May 1, 20[]	[\$]	[]%
May 1, 20[]	[]	[]
May 1, 20[]	[]	[]
May 1, 20[]	[]	[]

(b) Interest on the Series 2019A Area Two Bonds will be computed in all cases on the basis of a 360-day year comprised of twelve 30-day months. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by the Series 2019A Area Two Bonds on the day before the default occurred.

SECTION 2.06 Disposition of Series 2019A Area Two Bond Proceeds.

From the net proceeds of the Series 2019A Area Two Bonds received by the Trustee, which shall be \$[] (reflecting the aggregate principal amount of the Series 2019A Area Two Bonds of \$[], less original issue discount of \$[] and less an underwriter's discount of \$[] and retained by the Underwriter);

(a) \$[], which is an amount equal to the Series 2019A Area Two Debt Service Reserve Requirement, shall be deposited in the Series 2019A Area Two Debt Service Reserve Account of the Debt Service Reserve Fund;

(b) \$[] shall be deposited into the Series 2019A Area Two Costs of Issuance Subaccount of the Series 2019 Area Two Acquisition and Construction Account and applied to pay costs of issuance of the Series 2019A Area Two Bonds;

(c) \$[] shall be deposited into the Series 2019A Area Two Interest Account and applied to pay capitalized interest due on the Series 2019A Area Two Bonds through [] 1, 20[];

(d) \$[] shall be deposited in the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel D of the Series 2019 Area Two Acquisition and Construction Account to be applied to pay Costs of the Parcel D Project in accordance with Article V of the Master Indenture;

(e) \$[_____] shall be deposited in the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel E of the Series 2019 Area Two Acquisition and Construction Account to be applied to pay Costs of the Parcel E Project in accordance with Article V of the Master Indenture; and

(f) \$[_____] , constituting all remaining proceeds of the Series 2019A Area Two Bonds, shall be deposited in the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel F of the Series 2019 Area Two Acquisition and Construction Account to be applied to pay Costs of the Parcel F Project in accordance with Article V of the Master Indenture.

SECTION 2.07 Book-Entry Form of Series 2019A Area Two Bonds.

The Series 2019A Area Two Bonds shall be issued as one fully registered bond per maturity and deposited with The Depository Trust Company, New York, New York ("DTC"), which is responsible for establishing and maintaining records of ownership for its participants.

The Issuer shall enter into a letter of representations with DTC providing for such book-entry only system, in accordance with the provisions of Section 2.11 of the Master Indenture. Such agreement may be terminated at any time by either DTC or the Issuer. In the event of such termination, the Issuer shall select another securities depository. If the Issuer does not replace DTC within sixty (60) days of such termination and, in all instances, prior to the next Interest Payment Date, the Trustee will, at the expense of the Issuer, register and deliver to the Beneficial Owners replacement Series 2019A Area Two Bonds in the form of fully registered Series 2019A Area Two Bonds in accordance with the instructions from Cede & Co. While the Series 2019A Area Two Bonds are registered in book-entry only, presentation of the Series 2019A Area Two Bonds is not necessary for payment thereon.

SECTION 2.08 Appointment of Registrar and Paying Agent.

The Issuer shall keep, at the designated corporate trust office of the Registrar, books (the "Bond Register") for the registration, transfer and exchange of the Series 2019A Area Two Bonds, and hereby appoints the Trustee, as its Registrar to keep such books and make such registrations, transfers, and exchanges as required hereby. The Trustee hereby accepts its appointment as Registrar and its duties and responsibilities as Registrar hereunder. Registrations, transfers and exchanges shall be without charge to the Bondholder requesting such registration, transfer or exchange, but such Bondholder shall pay any taxes or other governmental charges on all registrations, transfers and exchanges.

The Issuer hereby appoints the Trustee as Paying Agent for the Series 2019A Area Two Bonds. The Trustee hereby accepts its appointment as Paying Agent and its duties and responsibilities as Paying Agent hereunder.

SECTION 2.09 Conditions Precedent to the Issuance of the Series 2019A Area Two Bonds.

In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2019A Area Two Bonds, all the Series 2019A Area Two Bonds shall be executed by the Issuer for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Issuer or upon its order, but only upon the further receipt by the Trustee of:

- (a) Certified copies of the Assessment Resolutions;
- (b) Executed originals of the Master Indenture and this Second Supplemental Indenture;
- (c) An opinion of Counsel to the District addressed to the District and the Trustee substantially to the effect that (i) the Issuer has been duly established and validly exists as a community development district under the Act, (ii) the Issuer has good right and lawful authority under the Act to undertake the Series 2019 Area Two Project being financed with the proceeds of the Series 2019A Area Two Bonds, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body having lawful jurisdiction in order to construct, acquire, own and operate the Series 2019 Area Two Project, (iii) all proceedings undertaken by the Issuer with respect to the Series 2019A Area Two Special Assessments have been in accordance with Florida law, (iv) the Issuer has taken all action necessary to levy and impose the Series 2019A Area Two Special Assessments, and (v) the Series 2019A Area Two Special Assessments are legal, valid and binding liens upon the property against which such Series 2019A Area Two Special Assessments are made, coequal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid;
- (d) A certificate of a Responsible Officer to the effect that, upon the authentication and delivery of the Series 2019A Area Two Bonds, the Issuer will not be in default in the performance of the terms and provisions of the Master Indenture or this Second Supplemental Indenture;
- (e) Executed copies of the Acquisition Agreement, Collateral Assignment, Completion Agreement and True-Up Agreement; and
- (f) Copies of executed investor letters in the form attached hereto as **Exhibit A** if such investor letter is required, as determined by the Underwriter.

Delivery to the Trustee of the net proceeds from the issuance and sale of the Series 2019A Area Two Bonds is conclusive evidence that the conditions precedent for authentication

of the Series 2019A Area Two Bonds have been met to the satisfaction of the District and the Underwriter.

**ARTICLE III.
REDEMPTION OF SERIES 2019A AREA TWO BONDS**

SECTION 3.01 Redemption Dates and Prices.

The Series 2019A Area Two Bonds shall be subject to redemption at the times and in the manner provided in Article VIII of the Master Indenture and in this Article III. All payments of the Redemption Price of the Series 2019A Area Two Bonds shall be made on the dates hereinafter required. If less than all the Series 2019A Area Two Bonds are to be redeemed pursuant to an optional redemption or an extraordinary mandatory redemption, the portions of the Series 2019A Area Two Bonds to be redeemed shall be selected as provided in Section 8.03 of the Master Indenture unless specifically provided herein. Partial redemptions of Series 2019A Area Two Bonds shall be made in such a manner that the remaining Series 2019A Area Two Bonds held by each Bondholder shall be in Authorized Denominations, except for the last remaining Series 2019A Area Two Bond of each maturity.

(a) Optional Redemption. The Series 2019A Area Two Bonds may, at the option of the Issuer in writing, be called for redemption prior to maturity in whole, on any date, or in part on any Redemption Date, on or after May 1, 2035 (less than all Series 2019A Area Two Bonds to be specified by the Issuer in writing), at a Redemption Price equal to 100% of the principal amount of Series 2019A Area Two Bonds to be redeemed plus accrued interest from the most recent Interest Payment Date to the date of redemption.

(b) Extraordinary Mandatory Redemption in Whole or in Part. The Series 2019A Area Two Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Redemption Date, **[in the manner determined by the Bond Registrar]** at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Series 2019A Area Two Bonds to be redeemed, plus interest accrued to the date of redemption, as follows:

(i) from Series 2019A Area Two Prepayments deposited into the Series 2019A Area Two Prepayment Account of the Series 2019A Area Two Bond Redemption Fund following the payment in whole or in part of Series 2019A Area Two Special Assessments on any portion of the Series 2019A Area Two Lands in accordance with the provisions of Section 4.05(a) of this Second Supplemental Indenture.

(ii) on or after the Completion Date of the Series 2019 Area Two Project, by application of moneys remaining in the Series 2019 Area Two Acquisition and Construction Account of the Acquisition and Construction Fund not reserved by the Issuer for the payment of any remaining part of the Cost of the Series 2019 Area Two

Project, which has been transferred as specified in Section 4.01(a) hereof to the Series 2019A Area Two General Account of the Series 2019A Area Two Bond Redemption Fund, credited toward extinguishment of the Series 2019A Area Two Special Assessments and applied toward the redemption of the Series 2019A Area Two Bonds in accordance with the manner it has credited such excess moneys toward extinguishment of Series 2019A Area Two Special Assessments which the Issuer shall describe to the Trustee in writing.

(iii) from moneys, if any, on deposit in the Series 2019A Area Two Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Outstanding Series 2019A Area Two Bonds and accrued interest thereon to the date of redemption in addition to all amounts owed to Persons under the Indenture.

(c) Mandatory Sinking Fund Redemption. The Series 2019A Area Two Bond maturing on May 1, 20[___], is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2019A Area Two Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% 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:

Year (May 1)	Sinking Fund Installment	Year (May 1)	Sinking Fund Installment
	\$		\$

* Final Maturity.

The Series 2019A Area Two Bond maturing on May 1, 20[___], is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2019A Area Two Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% 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:

Year (May 1)	Sinking Fund Installment	Year (May 1)	Sinking Fund Installment
	\$		\$

* Final Maturity.

The Series 2019A Area Two Bond maturing on May 1, 20[___], is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2019A Area Two Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% 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:

Year (May 1)	Sinking Fund Installment	Year (May 1)	Sinking Fund Installment
	\$		\$

* Final Maturity.

The Series 2019A Area Two Bond maturing on May 1, 20[___], is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2019A Area Two Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% 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:

Year (May 1)	Sinking Fund Installment	Year (May 1)	Sinking Fund Installment
	\$		\$

* Final Maturity.

SECTION 3.02 Notice of Redemption.

When required to redeem Series 2019A Area Two Bonds under any provision of this Second Supplemental Indenture or directed to redeem Series 2019A Area Two Bonds by the Issuer, the Trustee shall give or cause to be given to Owners of the Series 2019A Area Two Bonds to be redeemed notice of the redemption, as set forth in Section 8.02 of the Master Indenture.

ARTICLE IV.
ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS;
ADDITIONAL COVENANTS OF THE ISSUER; PREPAYMENTS; REMOVAL OF SPECIAL
ASSESSMENT LIENS

SECTION 4.01 Establishment of Certain Funds and Accounts.

(a) The Trustee shall establish a separate Account within the Acquisition and Construction Fund designated as the "Series 2019 Area Two Acquisition and Construction Account," and within such Account, three Subaccounts designated as the "Series 2019 Area Two Acquisition and Construction Subaccount – Parcel D," the "Series 2019 Area Two Acquisition and Construction Subaccount – Parcel E" and the "Series 2019 Area Two Acquisition and Construction Subaccount – Parcel F" (which such Account and the Subaccounts therein shall be held concurrently for the benefit of all of the Series 2019 Area Two Bonds). Proceeds of the Series 2019A Area Two Bonds shall be deposited into the Series 2019 Area Two Acquisition and Construction Account and the Subaccounts therein in the amounts set forth in Section 2.06 of this Second Supplemental Indenture. Such moneys in the subaccounts of Series 2019 Area Two Acquisition and Construction Account and the Subaccounts therein shall be applied as set forth in Article V of the Master Indenture and Sections 4.01(a) and 3.01(b)(ii) of this Second Supplemental Indenture to pay Costs of the respective component of the Series 2019 Area Two Project. Each requisition shall indicate which subaccount of the Series 2019 Area Two Acquisition and Construction Subaccount the funds are to be drawn from, such form of requisition is attached hereto as **Exhibit B**. After the Completion Date of the respective component of the Series 2019 Area Two Project and after retaining in the respective subaccount of the Series 2019 Area Two Acquisition and Construction Account the amount, if any, of all remaining unpaid Costs of any portion of the respective component of the Series 2019 Area Two Project set forth in the Consulting Engineer's Certificate establishing such Completion Date, any funds remaining in the respective subaccount of the Series 2019 Area Two Acquisition and Construction Account may be requisitioned to pay the Costs of any other portion of the Series 2019 Area Two Project until such Series 2019 Area Two Project is complete; otherwise, such funds shall be transferred to and deposited into the Series 2019A Area Two General Account of the Series 2019A Area Two Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2019A Area Two Bonds, and the respective subaccount of the Series 2019 Area Two Acquisition and Construction Account shall be closed.

There is hereby established within the Series 2019 Area Two Acquisition and Construction Account of the Acquisition and Construction Fund held by the Trustee a "Series 2019A Area Two Costs of Issuance Subaccount." Amounts in the Series 2019A Area Two Costs of Issuance Subaccount shall be applied by the Trustee to pay the costs relating to the issuance of the Series 2019A Area Two Bonds. Six months after the date of issuance of the Series 2019A Area Two Bonds, any moneys remaining in the Series 2019A Area Two Costs of Issuance Subaccount which have not been requisitioned by the Issuer to pay costs relating to the issuance of the Series 2019A Area Two Bonds shall be deposited on a pro rata basis into the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel D, the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel E, and the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel F of the Series 2019 Area Two Acquisition and Construction Account and applied as set forth in Article V of the Master Indenture and Section 4.01(a) of this Second Supplemental Indenture, and the Series 2019A Area Two Costs of Issuance Subaccount shall be closed.

(b) Pursuant to Section 6.03 of the Master Indenture, the Trustee shall establish a separate Account within the Revenue Fund designated as the "Series 2019A Area Two Revenue Account." Series 2019A Area Two Special Assessments (except for Series 2019A Area Two Prepayments which shall be identified as such by the Issuer to the Trustee to be deposited in the Series 2019A Area Two Prepayment Account) shall be deposited by the Trustee into the Series 2019A Area Two Revenue Account which shall be applied as set forth in Article VI of the Master Indenture and Section 4.02 of this Second Supplemental Indenture.

(c) [Reserved].

(d) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2019A Area Two Interest Account." Proceeds of the Series 2019A Area Two Bonds representing capitalized interest shall be deposited into such Account in the amount set forth in Section 2.06(c) of this Second Supplemental Indenture. Moneys deposited into such Account pursuant to the Master Indenture and Section 4.02 of this Second Supplemental Indenture, shall be applied for the purposes provided therein.

(e) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2019A Area Two Sinking Fund Account." Moneys shall be deposited into such Account as provided in Article VI of the Master Indenture and Section 4.02 of this Second Supplemental Indenture and applied for the purposes provided therein and in Sections 3.01(c) of this Second Supplemental Indenture.

(f) Pursuant to Section 6.05 of the Master Indenture, the Trustee shall establish an Account within the Debt Service Reserve Fund designated as the "Series 2019A Area Two Debt Service Reserve Account."

(i) Proceeds of the Series 2019A Area Two Bonds shall be deposited into the Series 2019A Area Two Debt Service Reserve Account in the amount set forth in Section 2.06(a) of this Second Supplemental Indenture, which account will be held for the benefit of all of the Series 2019A Area Two Bonds, without privilege or priority of one Series 2019A Area Two Bond over another, and such moneys, together with any other moneys deposited into such Account pursuant to the Master Indenture, shall be applied for the purposes provided therein and in this Section 4.01(f).

(ii) Earnings on investments in the Series 2019A Area Two Debt Service Reserve Account shall be disposed of as follows:

(A) If as of the last date on which amounts on deposit in the Series 2019A Area Two Debt Service Reserve Account were valued by the Trustee there was a deficiency in the Series 2019A Area Two Debt Service Reserve Account, or if after such date withdrawals have been made from the Series 2019A Area Two Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the Series 2019A Area Two Debt Service Reserve Account shall be deposited to the credit of the Series 2019A Area Two Debt Service Reserve Account until the amounts on deposit therein equal the Series 2019A Area Two Debt Service Reserve Requirement; and

(B) As long as no notice of an Event of Default under the Indenture has been delivered to the Trustee or if such Event of Default described in a notice has been cured or waived as provided in the Master Indenture, and the amount in the Series 2019A Area Two Debt Service Reserve Account is not reduced below the then Series 2019A Area Two Debt Service Reserve Requirement, then earnings on investments in such Account shall be applied as follows: (x) prior to the Completion Date of the Series 2019 Area Two Project, on a pro rata basis to the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel D, the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel E and the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel F of the Series 2019 Area Two Acquisition and Construction Account of the Acquisition and Construction, and (y) on and after the Completion Date of all of the components of the Series 2019 Area Two Project, to the Series 2019A Area Two Revenue Account of the Revenue Fund. Upon the occurrence and continuance of an Event of Default, earnings on investments in the Series 2019A Area Two Debt Service Reserve Account shall remain therein.

(g) Pursuant to Section 6.06 of the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Fund designated as the "Series 2019A Area Two Bond Redemption Fund" and within such Fund, a "Series 2019A Area Two General Account" and a "Series 2019A Area Two Prepayment Account." Except as otherwise provided in this

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Second Supplemental Indenture, moneys to be deposited into the Series 2019A Area Two Bond Redemption Fund, as provided in Article VI of the Master Indenture shall be deposited to the Series 2019A Area Two General Account of the Series 2019A Area Two Bond Redemption Fund. Series 2019A Area Two Prepayments shall be identified as such by the Issuer to the Trustee to then be deposited directly into the Series 2019A Area Two Prepayment Account of the Series 2019A Area Two Bond Redemption Fund, as provided in the Indenture.

(h) (i) Moneys in the Series 2019A Area Two General Account (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to make such deposits into the Rebate Fund for the Series 2019A Area Two Bonds, if any, as the Issuer may direct in writing in accordance with the Arbitrage Certificate, such moneys thereupon to be used solely for the purposes specified in the Arbitrage Certificate. Any moneys so transferred from the Series 2019A Area Two General Account to the Rebate Fund shall thereupon be free from the lien and pledge of the Indenture;

SECOND, to be used to call for redemption pursuant to Section 3.01(b)(ii), (iii) and (iv) hereof an amount of Series 2019A Area Two Bonds equal to the amount of money transferred to the Series 2019A Area Two General Account pursuant to the aforesaid clauses or provisions, as appropriate, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in such clauses or provisions, as appropriate; and

THIRD, the remainder to be utilized by the Trustee, at the written direction of a Responsible Officer, to call for redemption such Series 2019A Area Two Bonds that are subject to optional redemption pursuant to Section 3.01(a) hereof such amount of Series 2019A Area Two Bonds as may be practicable; provided, however, that not less than \$5,000 principal amount of Bonds shall be called for redemption at one time.

(ii) Moneys in the Series 2019A Area Two Prepayment Account of the Series 2019A Area Two Bond Redemption Fund (including all earnings on investments therein) shall be accumulated therein to be used to call for redemption pursuant to Section 3.01(b)(i) hereof an amount of Series 2019A Area Two Bonds equal to the amount of money transferred to the Series 2019A Area Two Prepayment Account pursuant to the aforesaid provision, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in Section 3.01(b)(i) hereof.

SECTION 4.02 Series 2019A Area Two Revenue Account.

The Trustee shall transfer from amounts on deposit in the Series 2019A Area Two Revenue Account of the Revenue Fund to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, not later than the Business Day preceding each May 1 and November 1, to the Series 2019A Area Two Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2019A Area Two Bonds due on such May 1 or November 1, less any amount on deposit in the Series 2019A-1 Interest Account representing capitalized interest in accordance with Section 4.01(d) hereof and less any other amounts already on deposit in the Series 2019A Area Two Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, to the Series 2019A Area Two Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Series 2019A Area Two Bonds subject to sinking fund redemption on such May 1, less any amount on deposit in the Series 2019A Area Two Sinking Fund Account not previously credited;

THIRD, upon receipt but no later than the Business Day next succeeding each Interest Payment Date, to the Series 2019A Area Two Debt Service Reserve Account an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2019A Area Two Debt Service Reserve Requirement;

FOURTH, notwithstanding the foregoing, at any time the Series 2019A Area Two Bonds are subject to redemption on a date which is not an Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2019A Area Two Interest Account the amount necessary to pay interest on the Series 2019A Area Two Bonds subject to redemption on such date; and

FIFTH, subject to the following paragraph, the balance of any moneys remaining after making the foregoing deposits shall remain in the Series 2019A Area Two Revenue Account unless pursuant to the Arbitrage Certificate it is necessary to make a deposit into the Rebate Fund, in which case the Issuer shall direct the Trustee in writing to make such deposit thereto.

On or after each November 2, the Trustee shall transfer to the Issuer, at the Issuer's written direction, the balance on deposit in the Series 2019A Area Two Revenue Account on such November 2 to be used for any lawful purpose of the Issuer; provided, however, that on the date of such proposed transfer the amount on deposit in the Series 2019A Area Two Debt Service Reserve Account shall be equal to the Series 2019A Area Two Debt Service Reserve Requirement and, provided, further, that no notice of an Event of Default under the Indenture has been delivered to the Trustee, including the payment of Trustee's fees and expenses then due.

SECTION 4.03 Power to Issue Series 2019A Area Two Bonds and Create Lien.

The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Series 2019A Area Two Bonds, to execute and deliver the Indenture and to pledge the Pledged Revenues for the benefit of the Series 2019A Area Two Bonds to the extent set forth herein. The Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Series 2019A Area Two Bonds, except for Bonds issued to refund all or a portion of the Series 2019A Area Two Bonds. The Series 2019A Area Two Bonds and the provisions of the Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Owners of the Series 2019A Area Two Bonds under the Indenture against all claims and demands of all persons whomsoever.

SECTION 4.04 Series 2019 Area Two Project to Conform to Plans and Specifications; Changes.

The Issuer will proceed to complete the Series 2019 Area Two Project, as described in the Engineer's Report, in accordance with the plans and specifications therefor, as such plans and specifications may be amended by the Issuer from time to time; provided that prior to any such amendment of the plans and specifications for the Series 2019 Area Two Project, the Consulting Engineer shall have delivered its certificate approving the proposed amendment to such plans and specifications.

SECTION 4.05 Prepayments; Removal of Special Assessment Liens.

(a) At any time any owner of property subject to the Series 2019A Area Two Special Assessments may, at its option, or under certain circumstances described in the Assessment Resolutions in connection with Prepayments derived from application of the "true-up" mechanism therein, require the Issuer to reduce or release and extinguish the lien upon its property by virtue of the levy of the Series 2019A Area Two Special Assessments by paying to the Issuer all or a portion of the Series 2019A Area Two Special Assessment which shall constitute Series 2019A Area Two Prepayments as directed in writing by the Issuer pursuant to the provisions of Section 4.01(h)(ii) of this Second Supplemental Indenture, plus accrued interest to the next succeeding Redemption Date (or the second succeeding Redemption Date if such prepayment is made within forty-five (45) calendar days before a Redemption Date), attributable to the property subject to Series 2019A Area Two Special Assessment owned by such owner. The written instructions shall be delivered to the Trustee on the 46th day prior to a Redemption Date.

(b) Upon receipt of Series 2019A Area Two Prepayments as described in paragraph (a) above, which includes accrued interest to the next succeeding Redemption Date (or the second succeeding Redemption Date if such prepayment is made within forty-five (45)

calendar days before a Redemption Date), subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee and clearly identify in writing such amounts as a Series 2019A Area Two Prepayment and the Issuer shall take such action as is necessary to record in the official records of the County an affidavit or affidavits, as the case may be, executed by the District Manager, to the effect that the Series 2019A Area Two Special Assessment has been paid in whole or in part and that such Series 2019A Area Two Special Assessment lien is thereby reduced, or released and extinguished, as the case may be. Upon receipt of any such moneys from the Issuer the Trustee shall immediately deposit the same into the Series 2019A Area Two Prepayment Account of the Series 2019A Area Two Bond Redemption Fund to be applied in accordance with Section 4.01(h)(ii) of this Second Supplemental Indenture, to the redemption of Series 2019A Area Two Bonds in accordance with Section 3.01(b)(i) of this Second Supplemental Indenture.

The Trustee may conclusively rely on the Issuer's determination of what moneys constitute Prepayments. The Trustee shall calculate the amount available for the extraordinary mandatory redemption of the applicable Series 2019A Area Two Bonds pursuant to Section 3.01(b)(i) of this Second Supplemental Indenture on each March 15, June 15, September 15 and December 15.

ARTICLE V. ADDITIONAL COVENANTS OF THE ISSUER

SECTION 5.01 Collection of Series 2019A Area Two Special Assessments.

Notwithstanding Section 9.04 of the Master Trust Indenture, the Series 2019A Area Two Special Assessments shall be directly collected and enforced by the Issuer pursuant to the provisions of the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto; provided, however, Series 2019A Area Two Special Assessments levied on platted lots not owned by the Developer and pledged hereunder to secure the Series 2019A Area Two Bonds will be collected pursuant to the Uniform Method pursuant to Section 9.04 of the Master Trust Indenture. The Issuer covenants to enter into a Property Appraiser and Tax Collector Agreement with the County in order to comply with the provisions of this Section.

Notwithstanding the immediately preceding paragraph or any other provision in the Indenture to the contrary, upon the occurrence of an Event of Default, if the Trustee, acting at the written direction of the Majority Owners of the Series 2019A Area Two Bonds, requests that the Issuer not use the Uniform Method, but instead collect and enforce Series 2019A Area Two Special Assessments pursuant to another available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto, then the Issuer shall collect and enforce said Series 2019A Area Two Special Assessments in the manner and pursuant to the method so requested by the Trustee.

Any Series 2019A Area Two Special Assessments that are not collected pursuant to the Uniform Method shall be billed directly to the applicable landowner and be payable not later than thirty (30) days prior to each Interest Payment Date.

SECTION 5.02 Additional Covenant Regarding Series 2019A Area Two Special Assessments.

In addition to, and not in limitation of, the covenants contained elsewhere in the Indenture, the Issuer covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2019A Area Two Special Assessments, including the Assessment Resolution and the Assessment Methodology, and to levy the Series 2019A Area Two Special 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 2019A Area Two Bonds, when due. The Assessment Methodology shall not be amended in a manner that materially impacts the methodology used therein without written consent of the Majority Owners of the Series 2019A Area Two Bonds.

SECTION 5.03 Foreclosure of Assessment Lien.

Notwithstanding Section 9.06 of the Master Indenture or any other provision of the Indenture to the contrary, the following provisions shall apply with respect to the Series 2019A Area Two Special Assessments and Series 2019A Area Two Bonds.

If any property shall be offered for sale for the nonpayment of any Series 2019A Area Two Special Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2019A Area Two Special 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 2019A Area Two Special 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 2019A Area Two Bonds; provided that the Trustee shall have the right, acting at the written direction of the Majority Owners of the Series 2019A Area Two Bonds, but shall not be obligated, to direct the District with respect to any action taken pursuant to this Section. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the related Series 2019A Area Two Revenue Account. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for sale of property acquired by it as trustee for the Owners of the Series 2019A Area Two Bonds within thirty (30) days after the receipt of the request therefor signed by the Trustee or the Majority Owners of the Series 2019A Area Two Bonds.

Notwithstanding the foregoing or anything in the Master Indenture to the contrary, if any property shall be offered for sale for the nonpayment of both the Series 2019A Area Two Special Assessments and Series 2019B Area Two Special Assessments and such property is then purchased by the District as contemplated in the preceding paragraph, the net proceeds received from any subsequent sale or lease of such property shall be deposited to the Series 2019A Area Two Revenue Account and Series 2019B Area Two Revenue Account (as defined in the Third Supplemental Indenture) pro rata based on the amount of each of the Series 2019A Area Two Special Assessments and Series 2019B Area Two Special Assessments due on such property.

SECTION 5.04 No Parity Bonds; Limitation on Parity Liens.

The Issuer covenants and agrees that so long as there are any Series 2019A Area Two Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Pledged Revenues, except for refunding bonds. The Issuer further covenants and agrees that so long as the Series 2019A Area Two Special Assessments have not been Substantially Absorbed and the Series 2019B Area Two Bonds are Outstanding, it shall not issue any Bonds secured by Special Assessments for capital projects on lands subject at such time to the Series 2019A Area Two Special Assessments without the consent of the Majority Owners; provided, however, that the foregoing shall not preclude the imposition of Special Assessments for capital projects necessary for health, safety, and welfare reasons, to remediate a natural disaster, or imposed prior to the issuance of the Series 2019A Area Two Bonds. Notwithstanding the foregoing, the Issuer covenants and agrees that it shall not issue any Bonds secured by Special Assessments for capital projects if there shall be occurred and be continuing any Event of Default with respect to any Series of Bonds issued under the Master Indenture. The Trustee shall be entitled to assume that the Series 2019A Area Two Special Assessments have not been Substantially Absorbed absent the written certification to the contrary from the Issuer.

SECTION 5.05 Acknowledgment Regarding Series 2019 Area Two Acquisition and Construction Account Moneys Following an Event of Default.

In accordance with the provisions of the Indenture, upon the occurrence of an Event of Default with respect to the Series 2019A Area Two Bonds, the Series 2019A Area Two Bonds are payable solely from the Pledged Revenues and any other moneys held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the Issuer hereby acknowledges that, upon the occurrence of an Event of Default with respect to the Series 2019A Area Two Bonds, (i) the Pledged Revenues include, without limitation, all amounts on deposit in the Series 2019 Area Two Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) the Pledged Revenues may not be used by the Issuer (whether to pay Costs of the Series 2019 Area Two 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 2019 Area Two Project and payment is for such work of the Series 2019A Area

Two Bonds and (iii) the Pledged Revenues may be used by the Trustee, at the written direction or with the written approval of the Majority Owners of the Series 2019A Area Two Bonds, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture or as otherwise provided in the Master Indenture. The District shall not enter into any binding agreement with respect to the Series 2019 Area Two Project after the occurrence of an Event of Default unless authorized in writing by the Majority Owners.

SECTION 5.06 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 written direction of the Majority Owners of the Series 2019A Area Two Bonds 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 the True-Up Agreement upon demand of the Majority Owners of the Series 2019 Area Two Bonds, or the Trustee at the written direction of the Majority Owners of the Series 2019A Area Two Bonds, shall constitute an Event of Default under the Indenture without benefit of any period for cure.

Anything in the Master Indenture, this Second Supplemental Indenture or the Third Supplemental Indenture, to the contrary notwithstanding, any direction or consent or similar provision which requires or permits consent or direction of Majority Owners with respect to the enforcement of the True-Up Agreement or the Completion Agreement shall mean, upon the occurrence and continuance of an Event of Default, the Majority Owners of the Series 2019A Area Two Bonds as if each such separate Series were the same Series under the Master Indenture for such purpose.

SECTION 5.07 Assignment of District's Rights Under Collateral Assignment.

The District hereby assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of Bonds Outstanding under the Indenture. The Trustee shall act in accordance with the written directions of the Majority Owners of the Series 2019A Area Two Bonds.

ARTICLE VI.
MISCELLANEOUS PROVISIONS

SECTION 6.01 Interpretation of Supplemental Indenture.

This Second Supplemental Indenture amends and supplements the Master Indenture with respect to the Series 2019A Area Two Bonds, and all of the provisions of the Master Indenture, to the extent not inconsistent herewith, are incorporated in this Second Supplemental Indenture by reference. To the maximum extent possible, the Master Indenture and the Supplemental Indenture shall be read and construed as one document.

SECTION 6.02 Amendments.

Any amendments to this Second Supplemental Indenture shall be made pursuant to the provisions for amendment contained in the Master Indenture.

SECTION 6.03 Counterparts.

This Second Supplemental Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 6.04 Appendices and Exhibits.

Any and all schedules, appendices or exhibits referred to in and attached to this Second Supplemental Indenture are hereby incorporated herein and made a part of this Second Supplemental Indenture for all purposes.

SECTION 6.05 Payment Dates.

In any case in which an Interest Payment Date, principal payment date or the maturity date of the Series 2019A Area Two Bonds or the date fixed for the redemption of any Series 2019A Area Two Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

SECTION 6.06 No Rights Conferred on Others.

Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Series 2019A Area Two Bonds.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Hunter's Ridge Community Development District No. 1 has caused this Second Supplemental Trust Indenture to be executed by the Chair of its Board of Supervisors and its corporate seal to be hereunto affixed and attested by an Assistant Secretary of its Board of Supervisors and U.S. Bank National Association has caused this Second Supplemental Trust Indenture to be executed by a Vice President, all as of the day and year first above written.

SEAL

**HUNTER'S RIDGE COMMUNITY
DEVELOPMENT DISTRICT NO. 1**

Attest:

By: _____
Chair, Board of Supervisors

Assistant Secretary,
Board of Supervisors

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

By: _____
Vice President

EXHIBIT A

FORM OF INVESTOR LETTER

[Date]

FMSbonds, Inc.
20660 W. Dixie Highway
North Miami Beach, Florida 33180

Re: \$[_____] Hunter's Ridge Community Development District No. 1
Special Assessment Bonds, Series 2019A (Assessment Area Two)

Ladies and Gentlemen:

The undersigned is authorized to sign this letter [on behalf of Name of Non-Individual Investor], as the beneficial owner (the "Investor") of \$_____ of the above-referenced Bonds [state maturing on May 1, _____, bearing interest at the rate of ___% per annum and CUSIP #] (herein, the "Investor Bonds").

In connection with the purchase of the Investor Bonds by the Investor, the Investor hereby makes the following representations upon which you may rely:

1. The Investor has authority to purchase the Investor Bonds and to execute this letter, any other instruments and documents required to be executed by the Investor in connection with the purchase of the Investor Bonds.

2. The Investor meets the criteria of an "accredited investor" as described in one or more of the categories derived from Rule 501(a) under Regulation D of the Securities Act of 1933, as amended (the "Securities Act") summarized below, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations including those which are not rated or credit-enhanced, to be able to evaluate the risks and merits of the investment represented by the Bonds. Please check the appropriate box below to indicate the type of accredited investor:

a bank, insurance company, registered investment company, business development company, or small business investment company;

an employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of \$5 million;

a charitable organization, corporation, or partnership with assets exceeding \$5 million;

a business in which all the equity owners are "accredited investors";

a natural person who has individual net worth, or joint net worth with the person's spouse, that exceeds \$1 million at the time of the purchase, excluding the value of the primary residence of such person, except that mortgage indebtedness on the primary residence shall not be included as a liability;

a natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year; or

a trust with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the Investor Bonds whose purchase is directed by a sophisticated person.

3. The Investor has been supplied with an (electronic) copy of the Preliminary Limited Offering Memorandum dated [_____], 20[___] of the Issuer and relating to the Bonds (the "Offering Document") and has reviewed the Offering Document and represents that such Offering Document has provided full and meaningful disclosure in order to make an informed decision to invest in the Investor Bonds.

Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Indenture.

Very truly yours,

[Name], [Type of Entity]

By: _____

Name: _____

Title: _____

Date: _____

Or

[Name], an Individual

EXHIBIT B

**FORM OF REQUISITION
HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1
SPECIAL ASSESSMENT BONDS, SERIES 2019A (ASSESSMENT AREA TWO)**

The undersigned, a Responsible Officer of the Hunter's Ridge Community Development District No. 1 (the "Issuer") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"), dated as of January 1, 2019, as supplemented by that certain _____ Supplemental Trust Indenture dated as of _____ (collectively, 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) Amount, if any, that is used for a Deferred Cost:
- (F) Fund, Account or Subaccount from which disbursement to be made:

The undersigned hereby certifies that:

1. obligations in the stated amount set forth above have been incurred by the Issuer,

or

 this requisition is for Costs of Issuance payable from the Acquisition and Construction Fund that have not previously been paid;
2. each disbursement set forth above is a proper charge against the Acquisition and Construction Fund;
3. each disbursement set forth above was incurred in connection with the acquisition and/or construction of the Series 2019 Area Two Project;

4. each disbursement represents a Cost of the Series 2019 Area Two Project which has not previously been paid.

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

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

Originals or copies of the invoice(s) from the vendor of the property acquired or the services rendered, or other appropriate documentation of costs paid, with respect to which disbursement is hereby requested are on file with the Issuer.

**HUNTER'S RIDGE COMMUNITY
DEVELOPMENT DISTRICT NO. 1**

By: _____
Responsible Officer

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

If this requisition is for a disbursement for other than Costs of Issuance, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the Series 2019 Area Two Project and is consistent with: (i) the applicable acquisition or construction contract; (ii) the plans and specifications for the portion of the Series 2019 Area Two Project with respect to which such disbursement is being made; and (iii) the report of the Consulting Engineer, as such report shall have been amended or modified on the date hereof.

Consulting Engineer

**HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1**

12Aiv

THIRD SUPPLEMENTAL TRUST INDENTURE

BETWEEN

HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1

AND

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of January 1, 2019

Authorizing and Securing

\$_[_____]

HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1
(Flagler County, Florida)
Special Assessment Bonds, Series 2019B (Assessment Area Two)

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EXHIBIT A – Form of Investor Letter

EXHIBIT B – Form of Requisition

THIS THIRD SUPPLEMENTAL TRUST INDENTURE dated as of January 1, 2019 (the "Third Supplemental Indenture") between **HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1** (the "Issuer" or the "District"), a local unit of special-purpose government organized and existing under the laws of the State of Florida, and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association duly organized and existing under the laws of the United States of America, with its designated corporate trust office located at 550 W. Cypress Creek Road, Suite #380, Fort Lauderdale, Florida 33309 (said banking association and any bank or trust company becoming successor trustee under this Third Supplemental Indenture being hereinafter referred to as the "Trustee");

W I T N E S S E T H:

WHEREAS, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act") by Ordinance No. 2014-01 enacted by the Board of County Commissioners of Flagler County, Florida (the "County") on April 21, 2014, for the purpose, among other things, of financing and managing the design, acquisition, construction, maintenance, and operation of systems, facilities and basic infrastructure within and without the boundaries of the premises to be governed by the Issuer; and

WHEREAS, the premises governed by the Issuer (referred to herein as the "District Lands") are described more fully in Exhibit A to the Master Trust Indenture dated as of January 1, 2019 (the "Master Indenture"), between the District and the Trustee, and currently consists of approximately 214 acres of land located entirely within the County; and

WHEREAS, the Issuer has been created for the purpose of delivering certain community development services and facilities for the benefit of the District Lands; and

WHEREAS, the Issuer has determined to undertake, in one or more stages, the acquisition and construction of certain public infrastructure and associated professional fees and incidental costs related thereto pursuant to the Act for the special benefit of the District Lands (as further described in Exhibit B to the Master Indenture, the "Capital Improvement Program"); and

WHEREAS, the Board of Supervisors of the Issuer (the "Board") duly adopted Resolution No. 2014-18 on July 18, 2014 (the "Initial Bond Resolution"), authorizing, among other things, the issuance, in one or more series, of not to exceed \$8,085,000 aggregate principal amount of its Hunter's Ridge Community Development District No. 1 Special Assessment Bonds in order to pay all or a portion of the costs of the planning, financing, acquisition, construction, reconstruction, equipping and installation of the Capital Improvement Program; and

WHEREAS, the District's Resolution No. 2019-06 was duly adopted by the Board on December 5, 2018, authorizing, among other things, the sale of its Special Assessment Bonds, Series 2019B (Assessment Area Two) (the "Series 2019B Area Two Bonds") which are issued hereunder, as one Series of Bonds under, and as defined in, the Master Indenture, and has authorized the execution and delivery of the Master Indenture and this Third Supplemental Indenture to secure the issuance of the Series 2019B Area Two Bonds and to set forth the terms of the Series 2019B Area Two Bonds; and

WHEREAS, the District will apply the proceeds of the Series 2019B Area Two Bonds to: (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Series 2019 Area Two Project (as defined herein); (ii) pay certain costs associated with the issuance of the Series 2019B Area Two Bonds; (iii) make a deposit into the Series 2019B Area Two Debt Service Reserve Account which account will be held for the benefit of all of the Series 2019B Area Two Bonds, without privilege or priority of one Series 2019B Area Two Bond over another; and (iv) pay the interest to become due on the Series 2019B Area Two Bonds through [_____] 1, 20[___]; and

WHEREAS, simultaneously with the issuance of the Series 2019B Area Two Bonds the Issuer is issuing its Hunter's Ridge Community Development District No. 1 Special Assessment Bonds, Series 2019 (Assessment Area One) (the "Series 2019 Area One Bonds") to finance the Series 2019 Area One Project (as defined herein) and its Hunter's Ridge Community Development District No. 1 Special Assessment Bonds, Series 2019A (Assessment Area Two) (the "Series 2019A Area Two Bonds" and together with the Series 2019B Area Two Bonds, the "Series 2019 Area Two Bonds") to finance the Series 2019 Area Two Project; and

WHEREAS, the Series 2019B Area Two Bonds will be secured by a pledge of the Pledged Revenues (as hereinafter defined) to the extent provided herein, which Pledged Revenues consist primarily of the Series 2019B Area Two Special Assessments (as hereinafter defined) levied on that portion of the District Lands benefitted by the Series 2019 Area Two Project; and

NOW, THEREFORE, THIS THIRD SUPPLEMENTAL INDENTURE WITNESSETH, that to provide for the issuance of the Series 2019B Area Two Bonds, the security and payment of the principal or redemption price thereof (as the case may be) and interest thereon, the rights of the Bondholders and the performance and observance of all of the covenants contained herein and in said Series 2019B Area Two Bonds, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Series 2019B Area Two Bonds by the Owners thereof, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer does hereby assign, transfer, set over and pledge to the Trustee, its successors in trust and its assigns forever, and grants a lien on all of the right, title and interest of the Issuer in and to the Pledged Revenues as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Series 2019B Area Two Bonds issued hereunder and any other amounts

owed hereunder, and any Bonds issued on a parity with the Series 2019B Area Two Bonds, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

TO HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien created by the Indenture.

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future Owners of the Series 2019B Area Two Bonds issued and to be issued under this Third Supplemental Indenture, without preference, priority or distinction as to lien or otherwise (except as otherwise specifically provided in this Third Supplemental Indenture) of any one Series 2019B Area Two Bond over any other Series 2019B Area Two Bond, all as provided in the Indenture (as hereinafter defined), and any Bonds issued on a parity with the Series 2019B Area Two Bonds.

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal or redemption price of the Series 2019B Area Two Bonds issued, and any Bonds issued on a parity with the Series 2019B Area Two Bonds, secured and Outstanding hereunder and the interest due or to become due thereon, at the times and in the manner mentioned in such Series 2019B Area Two Bonds and the Indenture, according to the true intent and meaning thereof and hereof, and the Issuer shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Third Supplemental Indenture and the rights hereby granted shall cease and terminate, otherwise this Third Supplemental Indenture to be and remain in full force and effect.

ARTICLE I. DEFINITIONS

In this Third Supplemental Indenture capitalized terms used without definition shall have the meanings ascribed thereto in the Master Indenture and, in addition, the following terms shall have the meanings specified below, unless otherwise expressly provided or unless the context otherwise requires:

"Acquisition Agreement" shall mean, collectively, that certain [Agreement Regarding the Acquisition of Certain Work Product and Infrastructure], dated [_____, 20[___], by and between the District and the Developer of Parcels D/E and that certain [Agreement Regarding the Acquisition of Certain Work Product and Infrastructure], dated [_____, 20[___], by and between the District and the Developer of Parcel F.

"Arbitrage Certificate" shall mean that certain Arbitrage Certificate of the Issuer, dated [_____] [____], 20[___], relating to certain restrictions on arbitrage under the Code.

"Assessment Methodology" shall mean, collectively, the Hunter's Ridge Community Development District No. 1 Preliminary Master Special Assessment Methodology Report dated May 21, 2014, as amended by the Hunter's Ridge Community Development District No. 1 First Addendum to Master Special Assessment Methodology Report dated December 5, 2018, as supplemented by the [Final Supplemental Special Assessment Methodology Report] dated [_____] [____], 20[___], each as prepared by the Methodology Consultant and relating to the Series 2019 Area One Bonds and the Series 2019 Area Two Bonds, including, without limitation, all exhibits and appendices thereto.

"Assessment Resolutions" shall mean Resolution Nos. 20[___]-[___], 20[___]-[___], 20[___]-[___] and 20[___]-[___] of the Issuer adopted [_____] [____], 20[___], [_____] [____], 20[___], [_____] [____], 20[___] and [_____] [____], 20[___], respectively, as amended and supplemented from time to time.

"Authorized Denomination" shall mean, with respect to the Series 2019B Area Two Bonds, \$5,000 or any integral multiple thereof; provided however, if any initial beneficial owner does not purchase at least \$100,000 of the Series 2019B Area Two Bonds at the time of initial delivery of the Series 2019B Area Two Bonds, such beneficial owner must either execute and deliver to the Underwriter on the date of delivery of the Series 2019B Area Two Bonds the investor letter substantially in the form attached hereto as **Exhibit A** or otherwise establish to the satisfaction of the Underwriter that such beneficial owner is an "accredited investor," as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended.

"Collateral Assignment" shall mean the [Collateral Assignment and Assumption of Development and Contract Rights], dated [_____] [____], 20[___], by the Developer of Parcels D/E in favor of the District and the [Collateral Assignment and Assumption of Development and Contract Rights], dated [_____] [____], 20[___], by the Developer of Parcel F in favor of the District.

"Completion Agreement" shall mean, collectively, the [Completion Agreement] by and between the District and the Developer of Parcels D/E, dated [_____] [____], 20[___], as such agreement may be modified from time to time, and the [Completion Agreement] by and between the District and the Developer of Parcel F, dated [_____] [____], 20[___], as such agreement may be modified from time to time.

"Developers" shall mean, together, the Developer of Parcels D/E and the Developer of Parcel F.

"Developer of Parcel F" shall mean [_____], a [_____], and any affiliate or any entity which succeeds to its interests and assumes any or all of the responsibilities of said entity, as the developer of the Parcel F Project.

"Developer of Parcels D/E" shall mean BADC Huntington Communities, LLC, a Florida limited liability company, and any affiliate or any entity which succeeds to its interests and assumes any or all of the responsibilities of said entity, as the developer of the Parcel D Project and the Parcel E Project.

"District Manager" shall mean the person or entity serving as the Issuer's District Manager from time to time. The initial District Manager shall be Wrathell, Hunt & Associates, LLC.

"Engineer's Report" shall mean, collectively, the Engineer's Report for Hunter's Ridge Community Development District No. 1 dated May 2014 and revised November 28, 2018, prepared by Zev Cohen & Associates, Inc.

"Indenture" shall mean, collectively, the Master Indenture and this Third Supplemental Indenture.

"Interest Payment Date" shall mean May 1 and November 1 of each year, commencing [May 1, 2019].

"Majority Owners" shall mean the Beneficial Owners of more than fifty percent (50%) of the aggregate principal amount of the Bonds then Outstanding to which such reference is made and, if no such reference is made, shall mean the Beneficial Owners of more than fifty percent (50%) in principal amount of the Outstanding Series 2019A Area Two Bonds.

"Methodology Consultant" shall mean, initially, Wrathell, Hunt & Associates, or such successor Methodology Consultant appointed by the District.

"Parcel D" shall mean that portion of the District Lands known as Huntington Villas and designated as parcel (D) in the Engineer's Report.

"Parcel E" shall mean that portion of the District Lands known as Huntington Green and designated as parcel (E) in the Engineer's Report.

"Parcel F" shall mean that portion of the District Lands known as Deerfield Estates and designated as parcel (F) in the Engineer's Report.

"Parcel D Project" shall mean the portion of the Capital Improvement Program being developed on and benefitting Parcel D and financed with proceeds of the Series 2019B Area Two Bonds and the Series 2019A Area Two Bonds on deposit in the Series 2019 Area Two

Acquisition and Construction Subaccount – Parcel D of the Series 2019 Area Two Acquisition and Construction Account.

"Parcel E Project" shall mean the portion of the Capital Improvement Program being developed on and benefitting Parcel E and financed with proceeds of the Series 2019B Area Two Bonds and the Series 2019A Area Two Bonds on deposit in the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel E of the Series 2019 Area Two Acquisition and Construction Account.

"Parcel F Project" shall mean the portion of the Capital Improvement Program being developed on and benefitting Parcel F and financed with proceeds of the Series 2019B Area Two Bonds and the Series 2019A Area Two Bonds on deposit in the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel F of the Series 2019 Area Two Acquisition and Construction Account.

"Paying Agent" shall mean the Trustee, and its successors and assigns as Paying Agent hereunder.

"Pledged Revenues" shall mean, with respect to the Series 2019B Area Two Bonds (a) all revenues received by the Issuer from the Series 2019B Area Two Special Assessments levied and collected on that portion of the District Lands benefited by the Series 2019 Area Two Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2019B Area Two Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2019B Area Two Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture; provided, however, that the Series 2019 Area Two Acquisition and Construction Account shall be held jointly for the benefit of all of the Series 2019 Area Two Bonds without privilege or priority of one such Series over another; and provided further, however, that Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) "special assessments" levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the Issuer under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso).

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

"Registrar" shall mean the Trustee, and its successors and assigns as Registrar hereunder.

"Regular Record Date" shall mean the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date.

"Resolution" shall mean, collectively, Resolution No. 2014-18 of the Issuer adopted on July 18, 2014, as supplemented by Resolution No. 2019-06 of the Issuer adopted on December 5, 2018.

"Second Supplemental Indenture" shall mean the Second Supplemental Trust Indenture dated as of January 1, 2019, by and between the District and the Trustee, as supplemented or amended, and securing the Series 2019A Area Two Bonds.

"Series 2019 Area One Project" shall mean the portion of the Capital Improvement Program financed with proceeds of the Series 2019 Area One Bonds.

"Series 2019 Area Two Acquisition and Construction Account" shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of the Second Supplemental Indenture.

"Series 2019 Area Two Acquisition and Construction Subaccount – Parcel D" shall mean the Account so designated, established as a separate Subaccount within the Series 2019 Area Two Acquisition and Construction Account pursuant to Section 4.01(a) of the Second Supplemental Indenture.

"Series 2019 Area Two Acquisition and Construction Subaccount – Parcel E" shall mean the Account so designated, established as a separate Subaccount within the Series 2019 Area Two Acquisition and Construction Account pursuant to Section 4.01(a) of the Second Supplemental Indenture.

"Series 2019 Area Two Acquisition and Construction Subaccount – Parcel F" shall mean the Account so designated, established as a separate Subaccount within the Series 2019 Area Two Acquisition and Construction Account pursuant to Section 4.01(a) of the Second Supplemental Indenture.

"Series 2019 Area Two Project" shall mean, collectively, the Parcel D Project, the Parcel E Project and the Parcel F Project.

"Series 2019A Area Two Special Assessments" shall mean the Special Assessments levied on that portion of the District Lands specially benefitted by the Series 2019 Area Two Project or any portion thereof, which assessments correspond in amount to the debt service on the Series 2019A Area Two Bonds.

"Series 2019B Area Two Bond Redemption Fund" shall mean the Series 2019B Area Two Bond Redemption Fund established pursuant to Section 4.01(g) of this Third Supplemental Indenture.

"Series 2019B Area Two Costs of Issuance Subaccount" shall mean the Account so designated, established as a separate Subaccount within the Series 2019 Area Two Acquisition and Construction Account pursuant to Section 4.01(a) of this Third Supplemental Indenture.

"Series 2019B Area Two Debt Service Reserve Account" shall mean the Account so designated, established as a separate Account within the Debt Service Reserve Fund pursuant to Section 4.01(f) of this Third Supplemental Indenture.

"Series 2019B Area Two Debt Service Reserve Requirement" shall mean an amount equal to the maximum annual interest requirement for the Series 2019B Area Two Bonds as of the date of initial issuance of the Series 2019B Area Two Bonds, which on the date of initial issuance shall be \$[_____].

"Series 2019B Area Two General Account" shall mean the Account so designated, established as a separate Account under the Series 2019B Area Two Bond Redemption Fund pursuant to Section 4.01(g) of this Third Supplemental Indenture.

"Series 2019B Area Two Interest Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(d) of this Third Supplemental Indenture.

"Series 2019B Area Two Lands" shall mean that portion of the District Lands subject to the lien of the Series 2019B Area Two Special Assessments.

"Series 2019B Area Two Prepayment" shall mean the payment by any owner of property of the amount of Series 2019B Area Two Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments and prepayments which become due pursuant to the "true-up" mechanism contained in the Assessment Resolutions and the True-Up Agreement. "Prepayments" shall include, without limitation, Series 2019B Area Two Prepayment Principal.

"Series 2019B Area Two Prepayment Account" shall mean the Account so designated, established as a separate Account under the Series 2019B Area Two Bond Redemption Fund pursuant to Section 4.01(g) of this Third Supplemental Indenture.

"Series 2019B Area Two Prepayment Principal" shall mean the portion of a Prepayment corresponding to the principal amount of Series 2019B Area Two Special Assessments being prepaid.

"Series 2019B Area Two Principal Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(c) of this Third Supplemental Indenture.

"Series 2019B Area Two Revenue Account" shall mean the Account so designated, established as a separate Account within the Revenue Fund pursuant to Section 4.01(b) of this Third Supplemental Indenture.

"Series 2019B Area Two Special Assessments" shall mean the Special Assessments levied on that portion of the District Lands specially benefitted by the Series 2019 Area Two Project or any portion thereof, which assessments correspond in amount to the debt service on the Series 2019B Area Two Bonds.

"Third Supplemental Indenture" shall mean this Third Supplemental Trust Indenture dated as of January 1, 2019, by and between the District and the Trustee, as supplemented or amended.

"True-Up Agreement" shall mean, collectively, the [True-Up Agreement], between the [District, the Developer of Parcels D/E and the District Manager], dated [_____] 20[___] and the [True-Up Agreement], between the [District, the Developer of Parcel F and the District Manager], dated [_____] 20[___].

"Trustee" shall mean U.S. Bank National Association, a national banking association, and its successors and assigns.

"Underwriter" shall mean FMSbonds, Inc.

"Uniform Method" shall mean the uniform method for the levy, collection and enforcement of Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, as amended.

The words "hereof," "herein," "hereto," "hereby," and "hereunder" (except in the forms of Series 2019B Area Two Bonds), refer to the entire Indenture.

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

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

ARTICLE II.
THE SERIES 2019B AREA TWO BONDS

SECTION 2.01 Amounts and Terms of Series 2019B Area Two Bonds; Issue of Series 2019B Area Two Bonds.

No Series 2019B Area Two Bonds may be issued under this Third Supplemental Indenture except in accordance with the provisions of this Article and Articles II and III of the Master Indenture.

(a) The total principal amount of Series 2019B Area Two Bonds that may be issued under this Third Supplemental Indenture is expressly limited to \$[_____]. The Series 2019B Area Two Bonds shall be numbered consecutively from R-1 and upwards.

(b) Any and all Series 2019B Area Two Bonds shall be issued substantially in the form attached as Exhibit C to the Master Indenture, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture and with such additional changes as may be necessary or appropriate to conform to the provisions of the Resolution and this Third Supplemental Indenture. The Issuer shall issue the Series 2019B Area Two Bonds upon execution of this Third Supplemental Indenture and satisfaction of the requirements of Section 3.01 of the Master Indenture; and the Trustee shall, at the Issuer's written request, authenticate such Series 2019B Area Two Bonds and deliver them as specified in the request.

SECTION 2.02 Execution.

The Series 2019B Area Two Bonds shall be executed by the Issuer as set forth in the Master Indenture.

SECTION 2.03 Authentication.

The Series 2019B Area Two Bonds shall be authenticated as set forth in the Master Indenture. No Series 2019B Area Two Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, as provided in the Master Indenture.

SECTION 2.04 Purpose, Designation and Denominations of, and Interest Accruals on, the Series 2019B Area Two Bonds.

(a) The Series 2019B Area Two Bonds are being issued hereunder in order to provide funds to (i) pay a portion of the Costs of the Series 2019 Area Two Project, (ii) fund the Series 2019B Area Two Debt Service Reserve Account for the benefit of all of the Series 2019B Area Two Bonds, (iii) pay the costs of issuance of the Series 2019B Area Two Bonds, and (iv) pay the interest to become due on the Series 2019B Area Two Bonds through [_____], 20[___]. The Series 2019B Area Two Bonds shall be designated "Hunter's Ridge Community Development District No. 1 (Flagler County, Florida) Special Assessment Bonds, Series 2019B (Assessment Area Two)," and shall be issued as fully registered bonds without coupons in Authorized Denominations.

(b) The Series 2019B Area Two Bonds shall be dated the date of original issuance thereof. Interest on the Series 2019B Area Two Bonds shall be payable on each Interest

Payment Date to maturity or prior redemption. Interest on the Series 2019B Area Two Bonds shall be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to May 1, 2019, in which case from the date of original issuance of the Series 2019B Area Two Bonds, or unless the date of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date.

(c) Except as otherwise provided in Section 2.07 of this Third Supplemental Indenture in connection with a book-entry only system of registration of the Series 2019B Area Two Bonds, the principal or Redemption Price of the Series 2019B Area Two Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent upon presentation of such Series 2019B Area Two Bonds. Except as otherwise provided in Section 2.07 of this Third Supplemental Indenture in connection with a book-entry only system of registration of the Series 2019B Area Two Bonds, the payment of interest on the Series 2019B Area Two Bonds shall be made on each Interest Payment Date to the Owners of the Series 2019B Area Two Bonds by check or draft drawn on the Paying Agent and mailed on the applicable Interest Payment Date to each Owner as such Owner appears on the Bond Register maintained by the Registrar as of the close of business on the Regular Record Date, at his address as it appears on the Bond Register. Any interest on any Series 2019B Area Two Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Series 2019B Area Two Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to such mailing, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, any Owner of Series 2019B Area Two Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date.

SECTION 2.05 Debt Service on the Series 2019B Area Two Bonds.

(a) The Series 2019B Area Two Bonds will be issued in an aggregate principal amount equal to \$[_____], mature on May 1, 20[___], and bear interest at the rate of [___]%, subject to the right of prior redemption in accordance with their terms.

(b) Interest on the Series 2019B Area Two Bonds will be computed in all cases on the basis of a 360-day year comprised of twelve 30-day months. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by the Series 2019B Area Two Bonds on the day before the default occurred.

SECTION 2.06 Disposition of Series 2019B Area Two Bond Proceeds.

From the net proceeds of the Series 2019B Area Two Bonds received by the Trustee, which shall be \$[_____] (reflecting the aggregate principal amount of the Series 2019B Area Two Bonds of \$[_____], less original issue discount of \$[_____] and less an underwriter's discount of \$[_____] and retained by the Underwriter);

(a) \$[_____], which is an amount equal to the Series 2019B Area Two Debt Service Reserve Requirement, shall be deposited in the Series 2019B Area Two Debt Service Reserve Account of the Debt Service Reserve Fund;

(b) \$[_____] shall be deposited into the Series 2019B Area Two Costs of Issuance Subaccount of the Series 2019 Area Two Acquisition and Construction Account and applied to pay costs of issuance of the Series 2019B Area Two Bonds;

(c) \$[_____] shall be deposited into the Series 2019B Area Two Interest Account and applied to pay capitalized interest due on the Series 2019B Area Two Bonds through [_____] 1, 20[___];

(d) \$[_____] shall be deposited in the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel D of the Series 2019 Area Two Acquisition and Construction Account to be applied to pay Costs of the Parcel D Project in accordance with Article V of the Master Indenture;

(e) \$[_____] shall be deposited in the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel E of the Series 2019 Area Two Acquisition and Construction Account to be applied to pay Costs of the Parcel E Project in accordance with Article V of the Master Indenture; and

(f) \$[_____], constituting all remaining proceeds of the Series 2019B Area Two Bonds, shall be deposited in the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel F of the Series 2019 Area Two Acquisition and Construction Account to be

applied to pay Costs of the Parcel F Project in accordance with Article V of the Master Indenture.

SECTION 2.07 Book-Entry Form of Series 2019B Area Two Bonds.

The Series 2019B Area Two Bonds shall be issued as one fully registered bond per maturity and deposited with The Depository Trust Company, New York, New York ("DTC"), which is responsible for establishing and maintaining records of ownership for its participants.

The Issuer shall enter into a letter of representations with DTC providing for such book-entry only system, in accordance with the provisions of Section 2.11 of the Master Indenture. Such agreement may be terminated at any time by either DTC or the Issuer. In the event of such termination, the Issuer shall select another securities depository. If the Issuer does not replace DTC within sixty (60) days of such termination and, in all instances, prior to the next Interest Payment Date, the Trustee will, at the expense of the Issuer, register and deliver to the Beneficial Owners replacement Series 2019B Area Two Bonds in the form of fully registered Series 2019B Area Two Bonds in accordance with the instructions from Cede & Co. While the Series 2019B Area Two Bonds are registered in book-entry only, presentation of the Series 2019B Area Two Bonds is not necessary for payment thereon.

SECTION 2.08 Appointment of Registrar and Paying Agent.

The Issuer shall keep, at the designated corporate trust office of the Registrar, books (the "Bond Register") for the registration, transfer and exchange of the Series 2019B Area Two Bonds, and hereby appoints the Trustee, as its Registrar to keep such books and make such registrations, transfers, and exchanges as required hereby. The Trustee hereby accepts its appointment as Registrar and its duties and responsibilities as Registrar hereunder. Registrations, transfers and exchanges shall be without charge to the Bondholder requesting such registration, transfer or exchange, but such Bondholder shall pay any taxes or other governmental charges on all registrations, transfers and exchanges.

The Issuer hereby appoints the Trustee as Paying Agent for the Series 2019B Area Two Bonds. The Trustee hereby accepts its appointment as Paying Agent and its duties and responsibilities as Paying Agent hereunder.

SECTION 2.09 Conditions Precedent to the Issuance of the Series 2019B Area Two Bonds.

In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2019B Area Two Bonds, all the Series 2019B Area Two Bonds shall be executed by the Issuer for delivery to the Trustee and thereupon shall be authenticated

by the Trustee and delivered to the Issuer or upon its order, but only upon the further receipt by the Trustee of:

- (a) Certified copies of the Assessment Resolutions;
- (b) Executed originals of the Master Indenture and this Third Supplemental Indenture;
- (c) An opinion of Counsel to the District addressed to the District and the Trustee substantially to the effect that (i) the Issuer has been duly established and validly exists as a community development district under the Act, (ii) the Issuer has good right and lawful authority under the Act to undertake the Series 2019 Area Two Project being financed with the proceeds of the Series 2019B Area Two Bonds, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body having lawful jurisdiction in order to construct, acquire, own and operate the Series 2019 Area Two Project, (iii) all proceedings undertaken by the Issuer with respect to the Series 2019B Area Two Special Assessments have been in accordance with Florida law, (iv) the Issuer has taken all action necessary to levy and impose the Series 2019B Area Two Special Assessments, and (v) the Series 2019B Area Two Special Assessments are legal, valid and binding liens upon the property against which such Series 2019B Area Two Special Assessments are made, coequal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid;
- (d) A certificate of a Responsible Officer to the effect that, upon the authentication and delivery of the Series 2019B Area Two Bonds, the Issuer will not be in default in the performance of the terms and provisions of the Master Indenture or this Third Supplemental Indenture;
- (e) Executed copies of the Acquisition Agreement, Collateral Assignment, Completion Agreement and True-Up Agreement; and
- (f) Copies of executed investor letters in the form attached hereto as **Exhibit A** if such investor letter is required, as determined by the Underwriter.

Delivery to the Trustee of the net proceeds from the issuance and sale of the Series 2019B Area Two Bonds is conclusive evidence that the conditions precedent for authentication of the Series 2019B Area Two Bonds have been met to the satisfaction of the District and the Underwriter.

ARTICLE III.
REDEMPTION OF SERIES 2019B AREA TWO BONDS
SECTION 3.01 Redemption Dates and Prices.

The Series 2019B Area Two Bonds shall be subject to redemption at the times and in the manner provided in Article VIII of the Master Indenture and in this Article III. All payments of the Redemption Price of the Series 2019B Area Two Bonds shall be made on the dates hereinafter required. If less than all the Series 2019B Area Two Bonds are to be redeemed pursuant to an optional redemption or an extraordinary mandatory redemption, the portions of the Series 2019B Area Two Bonds to be redeemed shall be selected as provided in Section 8.03 of the Master Indenture unless specifically provided herein. Partial redemptions of Series 2019B Area Two Bonds shall be made in such a manner that the remaining Series 2019B Area Two Bonds held by each Bondholder shall be in Authorized Denominations, except for the last remaining Series 2019B Area Two Bond of each maturity.

(a) Optional Redemption. The Series 2019B Area Two Bonds are not subject to redemption at the option of the Issuer.

(b) Extraordinary Mandatory Redemption in Whole or in Part. The Series 2019B Area Two Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Redemption Date, **[in the manner determined by the Bond Registrar]** at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Series 2019B Area Two Bonds to be redeemed, plus interest accrued to the date of redemption, as follows:

(i) from Series 2019B Area Two Prepayments deposited into the Series 2019B Area Two Prepayment Account of the Series 2019B Area Two Bond Redemption Fund following the payment in whole or in part of Series 2019B Area Two Special Assessments on any portion of the Series 2019B Area Two Lands in accordance with the provisions of Section 4.05(a) of this Third Supplemental Indenture.

(ii) on or after the Completion Date of the Series 2019 Area Two Project, by application of moneys remaining in the Series 2019 Area Two Acquisition and Construction Account of the Acquisition and Construction Fund not reserved by the Issuer for the payment of any remaining part of the Cost of the Series 2019 Area Two Project, which has been transferred as specified in Section 4.01(a) hereof to the Series 2019B Area Two General Account of the Series 2019B Area Two Bond Redemption Fund, credited toward extinguishment of the Series 2019B Area Two Special Assessments and applied toward the redemption of the Series 2019B Area Two Bonds in accordance with the manner it has credited such excess moneys toward extinguishment of Series 2019B Area Two Special Assessments which the Issuer shall describe to the Trustee in writing.

(iii) from moneys, if any, on deposit in the Series 2019B Area Two Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Outstanding Series 2019B Area Two Bonds and accrued interest thereon to the date of redemption in addition to all amounts owed to Persons under the Indenture.

SECTION 3.02 Notice of Redemption.

When required to redeem Series 2019B Area Two Bonds under any provision of this Third Supplemental Indenture or directed to redeem Series 2019B Area Two Bonds by the Issuer, the Trustee shall give or cause to be given to Owners of the Series 2019B Area Two Bonds to be redeemed notice of the redemption, as set forth in Section 8.02 of the Master Indenture.

ARTICLE IV.
ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS;
ADDITIONAL COVENANTS OF THE ISSUER; PREPAYMENTS; REMOVAL OF SPECIAL
ASSESSMENT LIENS

SECTION 4.01 Establishment of Certain Funds and Accounts.

(a) Proceeds of the Series 2019B Area Two Bonds shall be deposited into the Series 2019 Area Two Acquisition and Construction Account and the Subaccounts therein in the amounts set forth in Section 2.06 of the Second Supplemental Indenture. Such moneys in the subaccounts of Series 2019 Area Two Acquisition and Construction Account and the Subaccounts therein shall be applied as set forth in Article V of the Master Indenture and Sections 4.01(a) and 3.01(b)(ii) of this Third Supplemental Indenture to pay Costs of the respective component of the Series 2019 Area Two Project. Each requisition shall indicate which subaccount of the Series 2019 Area Two Acquisition and Construction Subaccount the funds are to be drawn from, such form of requisition is attached hereto as **Exhibit B**. After the Completion Date of the respective component of the Series 2019 Area Two Project and after retaining in the respective subaccount of the Series 2019 Area Two Acquisition and Construction Account the amount, if any, of all remaining unpaid Costs of any portion of the respective component of the Series 2019 Area Two Project set forth in the Consulting Engineer's Certificate establishing such Completion Date, any funds remaining in the respective subaccount of the Series 2019 Area Two Acquisition and Construction Account may be requisitioned to pay the Costs of any other portion of the Series 2019 Area Two Project until such Series 2019 Area Two Project is complete; otherwise, such funds shall be transferred to and deposited into the Series 2019A Area Two General Account of the Series 2019A Area Two Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2019A Area Two Bonds, and the respective subaccount of the Series 2019 Area Two Acquisition and Construction Account shall be closed.

There is hereby established within the Series 2019 Area Two Acquisition and Construction Account of the Acquisition and Construction Fund held by the Trustee a "Series 2019B Area Two Costs of Issuance Subaccount." Amounts in the Series 2019B Area Two Costs of Issuance Subaccount shall be applied by the Trustee to pay the costs relating to the issuance of the Series 2019B Area Two Bonds. Six months after the date of issuance of the Series 2019B Area Two Bonds, any moneys remaining in the Series 2019B Area Two Costs of Issuance Subaccount which have not been requisitioned by the Issuer to pay costs relating to the issuance

of the Series 2019B Area Two Bonds shall be deposited on a pro rata basis into the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel D, the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel E, and the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel F of the Series 2019 Area Two Acquisition and Construction Account and applied as set forth in Article V of the Master Indenture and Section 4.01(a) of this Third Supplemental Indenture, and the Series 2019B Area Two Costs of Issuance Subaccount shall be closed.

(b) Pursuant to Section 6.03 of the Master Indenture, the Trustee shall establish a separate Account within the Revenue Fund designated as the "Series 2019B Area Two Revenue Account." Series 2019B Area Two Special Assessments (except for Series 2019B Area Two Prepayments which shall be identified as such by the Issuer to the Trustee to be deposited in the Series 2019B Area Two Prepayment Account) shall be deposited by the Trustee into the Series 2019B Area Two Revenue Account which shall be applied as set forth in Article VI of the Master Indenture and Section 4.02 of this Third Supplemental Indenture.

(c) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2019B Area Two Principal Account." Moneys shall be deposited into such Account as provided in Article VI of the Master Indenture and Section 4.02 of this Third Supplemental Indenture, and applied for the purposes provided therein.

(d) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2019B Area Two Interest Account." Proceeds of the Series 2019B Area Two Bonds representing capitalized interest shall be deposited into such Account in the amount set forth in Section 2.06(c) of this Third Supplemental Indenture. Moneys deposited into such Account pursuant to the Master Indenture and Section 4.02 of this Third Supplemental Indenture, shall be applied for the purposes provided therein.

(e) Pursuant to Section 6.05 of the Master Indenture, the Trustee shall establish an Account within the Debt Service Reserve Fund designated as the "Series 2019B Area Two Debt Service Reserve Account."

(i) Proceeds of the Series 2019B Area Two Bonds shall be deposited into the Series 2019B Area Two Debt Service Reserve Account in the amount set forth in Section 2.06(a) of this Third Supplemental Indenture, which account will be held for the benefit of all of the Series 2019B Area Two Bonds, without privilege or priority of one Series 2019B Area Two Bond over another, and such moneys, together with any other moneys deposited into such Account pursuant to the Master Indenture, shall be applied for the purposes provided therein and in this Section 4.01(f).

(ii) Earnings on investments in the Series 2019B Area Two Debt Service Reserve Account shall be disposed of as follows:

(A) If as of the last date on which amounts on deposit in the Series 2019B Area Two Debt Service Reserve Account were valued by the Trustee there was a deficiency in the Series 2019B Area Two Debt Service Reserve Account, or if after such date withdrawals have been made from the Series 2019B Area Two Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the Series 2019B Area Two Debt Service Reserve Account shall be deposited to the credit of the Series 2019B Area Two Debt Service Reserve Account until the amounts on deposit therein equal the Series 2019B Area Two Debt Service Reserve Requirement; and

(B) As long as no notice of an Event of Default under the Indenture has been delivered to the Trustee or if such Event of Default described in a notice has been cured or waived as provided in the Master Indenture, and the amount in the Series 2019B Area Two Debt Service Reserve Account is not reduced below the then Series 2019B Area Two Debt Service Reserve Requirement, then earnings on investments in such Account shall be applied as follows: (x) prior to the Completion Date of the Series 2019 Area Two Project, on a pro rata basis to the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel D, the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel E and the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel F of the Series 2019 Area Two Acquisition and Construction Account of the Acquisition and Construction Fund, and (y) on and after the Completion Date of all of the components of the Series 2019 Area Two Project, to the Series 2019B Area Two Revenue Account of the Revenue Fund. Upon the occurrence and continuance of an Event of Default, earnings on investments in the Series 2019B Area Two Debt Service Reserve Account shall remain therein.

(f) Pursuant to Section 6.06 of the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Fund designated as the "Series 2019B Area Two Bond Redemption Fund" and within such Fund, a "Series 2019B Area Two General Account" and a "Series 2019B Area Two Prepayment Account." Except as otherwise provided in this Third Supplemental Indenture, moneys to be deposited into the Series 2019B Area Two Bond Redemption Fund, as provided in Article VI of the Master Indenture shall be deposited to the Series 2019B Area Two General Account of the Series 2019B Area Two Bond Redemption Fund. Series 2019B Area Two Prepayments shall be identified as such by the Issuer to the Trustee to then be deposited directly into the Series 2019B Area Two Prepayment Account of the Series 2019B Area Two Bond Redemption Fund, as provided in the Indenture.

(g) (i) Moneys in the Series 2019B Area Two General Account (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to make such deposits into the Rebate Fund for the Series 2019B Area Two Bonds, if any, as the Issuer may direct in writing in accordance with the Arbitrage Certificate, such moneys thereupon to be used solely for the purposes specified in the Arbitrage Certificate. Any moneys so transferred from the Series 2019B Area Two General Account to the Rebate Fund shall thereupon be free from the lien and pledge of the Indenture;

SECOND, to be used to call for redemption pursuant to Section 3.01(b)(ii), (iii) and (iv) hereof an amount of Series 2019B Area Two Bonds equal to the amount of money transferred to the Series 2019B Area Two General Account pursuant to the aforesaid clauses or provisions, as appropriate, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in such clauses or provisions, as appropriate; and

THIRD, the remainder to be utilized by the Trustee, at the written direction of a Responsible Officer, to call for redemption such Series 2019B Area Two Bonds that are subject to optional redemption pursuant to Section 3.01(a) hereof such amount of Series 2019B Area Two Bonds as may be practicable; provided, however, that not less than \$5,000 principal amount of Bonds shall be called for redemption at one time.

(ii) Moneys in the Series 2019B Area Two Prepayment Account of the Series 2019B Area Two Bond Redemption Fund (including all earnings on investments therein) shall be accumulated therein to be used to call for redemption pursuant to Section 3.01(b)(i) hereof an amount of Series 2019B Area Two Bonds equal to the amount of money transferred to the Series 2019B Area Two Prepayment Account pursuant to the aforesaid provision, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in Section 3.01(b)(i) hereof.

SECTION 4.02 Series 2019B Area Two Revenue Account.

The Trustee shall transfer from amounts on deposit in the Series 2019B Area Two Revenue Account of the Revenue Fund to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, not later than the Business Day preceding each May 1 and November 1, to the Series 2019B Area Two Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2019B Area Two Bonds due on such May 1 or November 1, less any amount on deposit in the Series 2019B Area Two Interest Account representing capitalized interest in accordance with Section 4.01(d) hereof and less any other amounts

already on deposit in the Series 2019B Area Two Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, to the Series 2019B Area Two Principal Account of the Debt Service Fund, an amount equal to the principal amount of Series 2019B Area Two Bonds Outstanding and maturing on such May 1, if any, less any amounts on deposit in the Series 2019B Area Two Principal Account not previously credited;

THIRD, upon receipt but no later than the Business Day next succeeding each Interest Payment Date, to the Series 2019B Area Two Debt Service Reserve Account an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2019B Area Two Debt Service Reserve Requirement;

FOURTH, notwithstanding the foregoing, at any time the Series 2019B Area Two Bonds are subject to redemption on a date which is not an Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2019B Area Two Interest Account the amount necessary to pay interest on the Series 2019B Area Two Bonds subject to redemption on such date; and

FIFTH, subject to the following paragraph, the balance of any moneys remaining after making the foregoing deposits shall remain in the Series 2019B Area Two Revenue Account unless pursuant to the Arbitrage Certificate it is necessary to make a deposit into the Rebate Fund, in which case the Issuer shall direct the Trustee in writing to make such deposit thereto.

On or after each November 2, the Trustee shall transfer to the Issuer, at the Issuer's written direction, the balance on deposit in the Series 2019B Area Two Revenue Account on such November 2 to be used for any lawful purpose of the Issuer; provided, however, that on the date of such proposed transfer the amount on deposit in the Series 2019B Area Two Debt Service Reserve Account shall be equal to the Series 2019B Area Two Debt Service Reserve Requirement and, provided, further, that no notice of an Event of Default under the Indenture has been delivered to the Trustee, including the payment of Trustee's fees and expenses then due.

SECTION 4.03 Power to Issue Series 2019B Area Two Bonds and Create Lien.

The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Series 2019B Area Two Bonds, to execute and deliver the Indenture and to pledge the Pledged Revenues for the benefit of the Series 2019B Area Two Bonds to the extent set forth herein. The Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Series 2019B Area Two Bonds, except for Bonds issued to refund all or a portion of the Series 2019B Area Two Bonds. The Series 2019B Area Two Bonds and the

provisions of the Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Owners of the Series 2019B Area Two Bonds under the Indenture against all claims and demands of all persons whomsoever.

SECTION 4.04 Series 2019 Area Two Project to Conform to Plans and Specifications; Changes.

The Issuer will proceed to complete the Series 2019 Area Two Project, as described in the Engineer's Report, in accordance with the plans and specifications therefor, as such plans and specifications may be amended by the Issuer from time to time; provided that prior to any such amendment of the plans and specifications for the Series 2019 Area Two Project, the Consulting Engineer shall have delivered its certificate approving the proposed amendment to such plans and specifications.

SECTION 4.05 Prepayments; Removal of Special Assessment Liens.

(a) At any time any owner of property subject to the Series 2019B Area Two Special Assessments may, at its option, or under certain circumstances described in the Assessment Resolutions in connection with Prepayments derived from application of the "true-up" mechanism therein, require the Issuer to reduce or release and extinguish the lien upon its property by virtue of the levy of the Series 2019B Area Two Special Assessments by paying to the Issuer all or a portion of the Series 2019B Area Two Special Assessment which shall constitute Series 2019B Area Two Prepayments as directed in writing by the Issuer pursuant to the provisions of Section 4.01(h)(ii) of this Third Supplemental Indenture, plus accrued interest to the next succeeding Redemption Date (or the second succeeding Redemption Date if such prepayment is made within forty-five (45) calendar days before a Redemption Date), attributable to the property subject to Series 2019B Area Two Special Assessment owned by such owner.

(b) Upon receipt of Series 2019B Area Two Prepayments as described in paragraph (a) above, which includes accrued interest to the next succeeding Redemption Date (or the second succeeding Redemption Date if such prepayment is made within forty-five (45) calendar days before a Redemption Date), subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee and clearly identify in writing such amounts as a Series 2019B Area Two Prepayment and the Issuer shall take such action as is necessary to record in the official records of the County an affidavit or affidavits, as the case may be, executed by the District Manager, to the effect that the Series 2019B Area Two Special Assessment has been paid in whole or in part and that such Series 2019B Area Two Special Assessment lien is thereby reduced, or released and extinguished, as the case may be. Upon receipt of any such moneys from the Issuer the Trustee shall immediately deposit the same into the Series 2019B Area Two Prepayment Account of the Series

2019B Area Two Bond Redemption Fund to be applied in accordance with Section 4.01(h)(ii) of this Third Supplemental Indenture, to the redemption of Series 2019B Area Two Bonds in accordance with Section 3.01(b)(i) of this Third Supplemental Indenture.

The Trustee may conclusively rely on the Issuer's determination of what moneys constitute Prepayments. The Trustee shall calculate the amount available for the extraordinary mandatory redemption of the applicable Series 2019B Area Two Bonds pursuant to Section 3.01(b)(i) of this Third Supplemental Indenture on each March 15, June 15, September 15 and December 15.

ARTICLE V.

ADDITIONAL COVENANTS OF THE ISSUER

SECTION 5.01 Collection of Series 2019B Area Two Special Assessments.

Notwithstanding Section 9.04 of the Master Trust Indenture, the Series 2019B Area Two Special Assessments shall be directly collected and enforced by the Issuer pursuant to the provisions of the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto; provided, however, Series 2019B Area Two Special Assessments levied on platted lots not owned by the Developer and pledged hereunder to secure the Series 2019B Area Two Bonds will be collected pursuant to the Uniform Method pursuant to Section 9.04 of the Master Trust Indenture. The Issuer covenants to enter into a Property Appraiser and Tax Collector Agreement with the County in order to comply with the provisions of this Section.

Notwithstanding the immediately preceding paragraph or any other provision in the Indenture to the contrary, upon the occurrence of an Event of Default, if the Trustee, acting at the written direction of the Majority Owners of the Series 2019B Area Two Bonds, requests that the Issuer not use the Uniform Method, but instead collect and enforce Series 2019B Area Two Special Assessments pursuant to another available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto, then the Issuer shall collect and enforce said Series 2019B Area Two Special Assessments in the manner and pursuant to the method so requested by the Trustee.

Any Series 2019B Area Two Special Assessments that are not collected pursuant to the Uniform Method shall be billed directly to the applicable landowner and be payable not later than thirty (30) days prior to each Interest Payment Date.

SECTION 5.02 Additional Covenant Regarding Series 2019B Area Two Special Assessments.

In addition to, and not in limitation of, the covenants contained elsewhere in the Indenture, the Issuer covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2019B Area Two Special Assessments, including the Assessment Resolution and the Assessment Methodology, and to levy the Series 2019B Area Two Special 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 2019B Area Two Bonds, when due. The Assessment Methodology shall not be amended in a manner that materially impacts the methodology used therein without written consent of the Majority Owners of the Series 2019B Area Two Bonds.

SECTION 5.03 Foreclosure of Assessment Lien.

Notwithstanding Section 9.06 of the Master Indenture or any other provision of the Indenture to the contrary, the following provisions shall apply with respect to the Series 2019B Area Two Special Assessments and Series 2019B Area Two Bonds.

If any property shall be offered for sale for the nonpayment of any Series 2019B Area Two Special Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2019B Area Two Special 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 2019B Area Two Special 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 2019B Area Two Bonds; provided that the Trustee shall have the right, acting at the written direction of the Majority Owners of the Series 2019B Area Two Bonds, but shall not be obligated, to direct the District with respect to any action taken pursuant to this Section. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the related Series 2019B Area Two Revenue Account. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for sale of property acquired by it as trustee for the Owners of the Series 2019B Area Two Bonds within thirty (30) days after the receipt of the request therefor signed by the Trustee or the Majority Owners of the Series 2019B Area Two Bonds.

Notwithstanding the foregoing or anything in the Master Indenture to the contrary, if any property shall be offered for sale for the nonpayment of both the Series 2019A Area Two Special Assessments and Series 2019B Area Two Special Assessments and such property is then purchased by the District as contemplated in the preceding paragraph, the net proceeds received from any subsequent sale or lease of such property shall be deposited to the Series 2019A Area Two Revenue Account (as defined in the Second Supplemental Indenture) and Series 2019B Area Two Revenue Account pro rata based on the amount of each of the Series 2019A Area Two Special Assessments and Series 2019B Area Two Special Assessments due on such property.

SECTION 5.04 Acknowledgment Regarding Series 2019 Area Two Acquisition and Construction Account Moneys Following an Event of Default.

In accordance with the provisions of the Indenture, upon the occurrence of an Event of Default with respect to the Series 2019B Area Two Bonds, the Series 2019B Area Two Bonds are payable solely from the Pledged Revenues and any other moneys held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the Issuer hereby acknowledges that, upon the occurrence of an Event of Default with respect to the Series 2019B Area Two Bonds, (i) the Pledged Revenues include, without limitation, all amounts on deposit in the Series 2019 Area Two Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) the Pledged Revenues may not be used by the Issuer (whether to pay Costs of the Series 2019 Area Two 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 2019 Area Two Project and payment is for such work of the Series 2019B Area Two Bonds and (iii) the Pledged Revenues may be used by the Trustee, at the written direction or with the written approval of the Majority Owners of the Series 2019B Area Two Bonds, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture or as otherwise provided in the Master Indenture. The District shall not enter into any binding agreement with respect to the Series 2019 Area Two Project after the occurrence of an Event of Default unless authorized in writing by the Majority Owners.

SECTION 5.05 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 written direction of the Majority Owners of the Series 2019B Area Two Bonds 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 the True-Up Agreement upon demand of the Majority Owners of the Series 2019B Area Two Bonds, or the Trustee at the written direction of the Majority Owners of the Series 2019B Area Two Bonds, shall constitute an Event of Default under the Indenture without benefit of any period for cure.

Anything in the Master Indenture, this Third Supplemental Indenture or the Second Supplemental Indenture, to the contrary notwithstanding, any direction or consent or similar provision which requires or permits consent or direction of Majority Owners with respect to the enforcement of the True-Up Agreement or the Completion Agreement shall mean, upon the occurrence and continuance of an Event of Default, the Majority Owners of the Series 2019A

Area Two Bonds as if each such separate Series were the same Series under the Master Indenture for such purpose.

SECTION 5.06 Assignment of District's Rights Under Collateral Assignment.

The District hereby assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of Bonds Outstanding under the Indenture. The Trustee shall act in accordance with the written directions of the Majority Owners of the Series 2019B Area Two Bonds.

ARTICLE VI.
MISCELLANEOUS PROVISIONS

SECTION 6.01 Interpretation of Supplemental Indenture.

This Third Supplemental Indenture amends and supplements the Master Indenture with respect to the Series 2019B Area Two Bonds, and all of the provisions of the Master Indenture, to the extent not inconsistent herewith, are incorporated in this Third Supplemental Indenture by reference. To the maximum extent possible, the Master Indenture and the Supplemental Indenture shall be read and construed as one document.

SECTION 6.02 Amendments.

Any amendments to this Third Supplemental Indenture shall be made pursuant to the provisions for amendment contained in the Master Indenture.

SECTION 6.03 Counterparts.

This Third Supplemental Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 6.04 Appendices and Exhibits.

Any and all schedules, appendices or exhibits referred to in and attached to this Third Supplemental Indenture are hereby incorporated herein and made a part of this Third Supplemental Indenture for all purposes.

SECTION 6.05 Payment Dates.

In any case in which an Interest Payment Date, principal payment date or the maturity date of the Series 2019B Area Two Bonds or the date fixed for the redemption of any Series 2019B Area Two Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such

payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

SECTION 6.06 No Rights Conferred on Others.

Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Series 2019B Area Two Bonds.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Hunter's Ridge Community Development District No. 1 has caused this Third Supplemental Trust Indenture to be executed by the Chair of its Board of Supervisors and its corporate seal to be hereunto affixed and attested by an Assistant Secretary of its Board of Supervisors and U.S. Bank National Association has caused this Third Supplemental Trust Indenture to be executed by a Vice President, all as of the day and year first above written.

SEAL

**HUNTER'S RIDGE COMMUNITY
DEVELOPMENT DISTRICT NO. 1**

Attest:

By: _____
Chair, Board of Supervisors

Assistant Secretary,
Board of Supervisors

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

By: _____
Vice President

EXHIBIT A

FORM OF INVESTOR LETTER

[Date]

FMSbonds, Inc.
20660 W. Dixie Highway
North Miami Beach, Florida 33180

Re: \$[_____] Hunter's Ridge Community Development District No. 1
Special Assessment Bonds, Series 2019B (Assessment Area Two)

Ladies and Gentlemen:

The undersigned is authorized to sign this letter [on behalf of Name of Non-Individual Investor], as the beneficial owner (the "Investor") of \$_____ of the above-referenced Bonds [state maturing on May 1, _____, bearing interest at the rate of ___% per annum and CUSIP #] (herein, the "Investor Bonds").

In connection with the purchase of the Investor Bonds by the Investor, the Investor hereby makes the following representations upon which you may rely:

1. The Investor has authority to purchase the Investor Bonds and to execute this letter, any other instruments and documents required to be executed by the Investor in connection with the purchase of the Investor Bonds.

2. The Investor meets the criteria of an "accredited investor" as described in one or more of the categories derived from Rule 501(a) under Regulation D of the Securities Act of 1933, as amended (the "Securities Act") summarized below, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations including those which are not rated or credit-enhanced, to be able to evaluate the risks and merits of the investment represented by the Bonds. Please check the appropriate box below to indicate the type of accredited investor:

a bank, insurance company, registered investment company, business development company, or small business investment company;

an employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of \$5 million;

a charitable organization, corporation, or partnership with assets exceeding \$5 million;

a business in which all the equity owners are "accredited investors";

a natural person who has individual net worth, or joint net worth with the person's spouse, that exceeds \$1 million at the time of the purchase, excluding the value of the primary residence of such person, except that mortgage indebtedness on the primary residence shall not be included as a liability;

a natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year; or

a trust with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the Investor Bonds whose purchase is directed by a sophisticated person.

3. The Investor has been supplied with an (electronic) copy of the Preliminary Limited Offering Memorandum dated [_____, 20[___] of the Issuer and relating to the Bonds (the "Offering Document") and has reviewed the Offering Document and represents that such Offering Document has provided full and meaningful disclosure in order to make an informed decision to invest in the Investor Bonds.

Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Indenture.

Very truly yours,

[Name], [Type of Entity]

By: _____

Name: _____

Title: _____

Date: _____

Or

[Name], an Individual

EXHIBIT B

**FORM OF REQUISITION
HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1
SPECIAL ASSESSMENT BONDS, SERIES 2019B (ASSESSMENT AREA TWO)**

The undersigned, a Responsible Officer of the Hunter's Ridge Community Development District No. 1 (the "Issuer") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"), dated as of January 1, 2019, as supplemented by that certain _____ Supplemental Trust Indenture dated as of _____ (collectively, 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) Amount, if any, that is used for a Deferred Cost:
- (F) Fund, Account or Subaccount from which disbursement to be made:

The undersigned hereby certifies that:

- 1. obligations in the stated amount set forth above have been incurred by the Issuer,

or

 this requisition is for Costs of Issuance payable from the Acquisition and Construction Fund that have not previously been paid;
- 2. each disbursement set forth above is a proper charge against the Acquisition and Construction Fund;
- 3. each disbursement set forth above was incurred in connection with the acquisition and/or construction of the Series 2019 Area Two Project;

4. each disbursement represents a Cost of the Series 2019 Area Two Project which has not previously been paid.

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

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

Originals or copies of the invoice(s) from the vendor of the property acquired or the services rendered, or other appropriate documentation of costs paid, with respect to which disbursement is hereby requested are on file with the Issuer.

**HUNTER'S RIDGE COMMUNITY
DEVELOPMENT DISTRICT NO. 1**

By: _____
Responsible Officer

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

If this requisition is for a disbursement for other than Costs of Issuance, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the Series 2019 Area Two Project and is consistent with: (i) the applicable acquisition or construction contract; (ii) the plans and specifications for the portion of the Series 2019 Area Two Project with respect to which such disbursement is being made; and (iii) the report of the Consulting Engineer, as such report shall have been amended or modified on the date hereof.

Consulting Engineer

HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1

12B

\$[_____]
Hunter's Ridge Community
Development District No. 1
Special Assessment Bonds,
Series 2019
(Assessment Area One)

\$[_____]
Hunter's Ridge Community
Development District No. 1
Special Assessment Bonds,
Series 2019A
(Assessment Area Two)

\$[_____]
Hunter's Ridge Community
Development District No. 1
Special Assessment Bonds,
Series 2019B
(Assessment Area Two)

BOND PURCHASE CONTRACT

[BPA Date]

Board of Supervisors
Hunter's Ridge Community Development District No. 1
Flagler County, Florida

Dear Ladies and Gentlemen:

FMSbonds, Inc. (the "Underwriter") offers to enter into this Bond Purchase Contract (the "Purchase Contract") with Hunter's Ridge Community Development District No. 1 (the "District"). The District is located entirely within the unincorporated area of Flagler County, Florida (the "County"). This offer of the Underwriter shall, unless accepted by the District, acting through its Board of Supervisors (the "Board"), expire at 10:00 P.M. prevailing time within the jurisdiction of the District on the date hereof, unless previously withdrawn or extended in writing by the Underwriter. This Purchase Contract shall be binding upon the District and the Underwriter upon execution and delivery. Any capitalized word not defined herein shall have the meaning ascribed thereto in the Preliminary Limited Offering Memorandum (hereinafter defined). In conformance with Section 218.385, Florida Statutes, as amended, the Underwriter hereby delivers to the District the Disclosure and Truth-In-Bonding Statement attached hereto as Exhibit A.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the District and the District hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of its \$[_____] aggregate principal amount of Special Assessment Bonds, Series 2019 (Assessment Area One) (the "Series 2019 Area One Bonds"), its \$[_____] aggregate principal amount of Special Assessment Bonds, Series 2019A (Assessment Area Two) (the "Series 2019A Area Two Bonds") and its \$[_____] aggregate principal amount of Special Assessment Bonds, Series 2019B (Assessment Area Two) (the "Series 2019B Area Two Bonds" and, collectively with the Series 2019 Area One Bonds and the Series 2019A Area Two Bonds, the "Bonds"). The Bonds shall be dated their date of delivery and shall mature on the dates, shall bear interest at the rates, and shall be subject to redemption prior to maturity, all as provided in the Limited Offering Memorandum (hereinafter defined) and in Exhibit B attached hereto. The purchase price for the Bonds shall be \$[_____] (representing the \$[_____] aggregate principal amount of the Bonds, less an underwriter's discount of \$[_____], and less/plus [net] original issue discount/bond premium of \$[_____]) (such payment and delivery and the other actions contemplated hereby to take place at the time of such payment and delivery being hereinafter referred to as the "Closing").

2. The Bonds. The Bonds are to be issued by the District, a local unit of special-purpose government of the State of Florida (the "State") created pursuant to the Uniform

Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, any successor statute thereto, the Florida Constitution, and other applicable provisions of law (collectively, the "Act"). The Bonds are being issued pursuant to the Act and secured pursuant to the provisions of a Master Trust Indenture, dated as of January 1, 2019 (the "Master Indenture"), as supplemented by a First Supplemental Trust Indenture, dated as of January 1, 2019, with respect to the Series 2019 Area One Bonds (the "First Supplemental Indenture" and collectively with the Master Indenture, the "First Supplement"), a Second Supplemental Trust Indenture, dated as of January 1, 2019, with respect to the Series 2019A Area Two Bonds (the "Second Supplemental Indenture" and collectively with the Master Indenture, the "Second Supplement") and a Third Supplemental Trust Indenture, dated as of January 1, 2019, with respect to the Series 2019B Area Two Bonds (the "Third Supplemental Indenture" and collectively with the Master Indenture, the "Third Supplement" and, together with the First Supplement and Second Supplement, the "Indenture") each by and between the District and U.S. Bank National Association, as trustee (the "Trustee") and Resolution Nos. 2014-18 and 2019-06 adopted by the Board of Supervisors of the District (the "Board") on July 18, 2014 and [December 5], 2018, respectively (collectively, the "Bond Resolution"). The Series 2019 Special Assessments comprising the applicable Pledged Revenues have been levied by the District on the lands within the District specially benefited by the Projects pursuant to Resolution Nos. 2019-[], 2019-[] and 2019-[] adopted by the Board on [December 5], 2018 and [] (collectively, the "Assessment Resolutions").

Proceeds of the Series 2019 Area One Bonds will be applied to (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Assessment Area One Project, (ii) pay certain costs associated with the issuance of the Series 2019 Area One Bonds, (iii) make a deposit into the Series 2019 Area One Debt Service Reserve Account which account will be held for the benefit of all of the Series 2019 Area One Bonds, without privilege or priority of one Series 2019 Area One Bond over another, and (iv) pay the interest to become due on the Series 2019 Area One Bonds through [].

Proceeds of the Series 2019A Area Two Bonds will be applied to (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Assessment Area Two Project, (ii) pay certain costs associated with the issuance of the Series 2019A Area Two Bonds, (iii) make a deposit into the Series 2019A Area Two Debt Service Reserve Account which account will be held for the benefit of all of the Series 2019A Area Two Bonds, without privilege or priority of one Series 2019A Area Two Bond over another, and (iv) pay the interest to become due on the Series 2019A Area Two Bonds through [].

Proceeds of the Series 2019B Area Two Bonds will be applied to (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Assessment Area Two Project, (ii) pay certain costs associated with the issuance of the Series 2019B Area Two Bonds, (iii) make a deposit into the Series 2019B Area Two Debt Service Reserve Account which account will be held for the benefit of all of the Series 2019B Area Two Bonds, without privilege or priority of one Series 2019B Area Two Bond over another, and (iv) pay the interest to become due on the Series 2019B Area Two Bonds through [].

3. Limited Offering/Establishment of Issue Price. It shall be a condition to the District's obligation to sell and to deliver the Bonds to the Underwriter, and to the Underwriter's obligation to purchase, accept delivery of and pay for the Bonds, that the entire principal amount of the 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.

The Underwriter agrees to assist the District in establishing the issue price of the 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 attached hereto as Exhibit J, 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 Bonds.

Except as otherwise set forth in Exhibit A attached hereto, the District will treat the first price at which 10% of each maturity of the 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 Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

The Underwriter acknowledges that sales of any 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:

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

(b) "underwriter" means (i) any person that agrees pursuant to a written contract with the District to participate in the initial sale of the Bonds to the public and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(c) a purchaser of any of the 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

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

4. **Use of Documents.** Prior to the date hereof, the District has caused to be prepared and provided to the Underwriter the Preliminary Limited Offering Memorandum, dated [_____] (the "Preliminary Limited Offering Memorandum") of the District, relating to the Bonds. The Underwriter has reviewed the Preliminary Limited Offering Memorandum

prior to the execution of this Purchase Contract. The District hereby authorizes, ratifies and approves the use of the Preliminary Limited Offering Memorandum by the Underwriter. The District shall deliver, or cause to be delivered, at its expense, to the Underwriter within seven (7) business days after the date hereof but not later than the Closing Date (as defined below) and in sufficient time to accompany any confirmation that requests payment from any customer such number of copies of the final Limited Offering Memorandum (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda") as the Underwriter shall reasonably request to comply with the requirements of Rule 15c2-12 and all applicable rules of the Municipal Securities Rulemaking Board (the "MSRB"). The Underwriter agrees to file the Limited Offering Memorandum with the MSRB not later than two (2) business days after the Closing Date. The Underwriter agrees that it will not confirm the sale of any Bonds unless a final written confirmation of sale is accompanied or preceded by the delivery of a copy of the Limited Offering Memorandum. The District authorizes the use by the Underwriter of the Limited Offering Memorandum with respect to the Bonds.

5. Definitions. For purposes hereof, (a) this Purchase Contract, the Bonds, the Indenture, the Continuing Disclosure Agreement to be dated as of [Closing Date] by and among the District, BADC Huntington Communities, LLC, a Florida limited liability company (the "Huntington Developer") and Wrathell, Hunt & Associates, LLC, as dissemination agent, in substantially the form attached to the Limited Offering Memorandum as Appendix E thereto (the "Huntington Disclosure Agreement"), the Continuing Disclosure Agreement to be dated as of [Closing Date] by and among the District, [_____] (the "Deerfield Developer"), [_____] (the "Deerfield Landowner") and Wrathell, Hunt & Associates, LLC, as dissemination agent, in substantially the form attached to the Limited Offering Memorandum as Appendix E thereto (the "Deerfield Disclosure Agreement" and, together with the Huntington Disclosure Agreement, the "Disclosure Agreements") and the DTC Blanket Issuer Letter of Representations entered into by the District, are referred to herein collectively as the "Financing Documents" and (b) the [Funding and Completion Agreement] between the District and the Huntington Developer dated as of [Closing Date] (the "Huntington Completion Agreement"), the [Funding and Completion Agreement] between the District and the Deerfield Developer dated as of [Closing Date] (the "Deerfield Completion Agreement"), the [Acquisition Agreement] between the District and the Huntington Developer dated as of [Closing Date] (the "Huntington Acquisition Agreement"), the [Acquisition Agreement] between the District and the Deerfield Developer dated as of [Closing Date] (the "Deerfield Acquisition Agreement"), the [Collateral Assignment of Development Rights] between the District and the Huntington Developer dated [Closing Date] (the "Huntington Collateral Assignment"), the [Collateral Assignment of Development Rights] between the District and the Deerfield Developer dated [Closing Date] (the "Deerfield Collateral Assignment"), the [True Up Agreement] between the District, the Huntington Developer dated as of [Closing Date] (the "Huntington True Up Agreement") and the [True Up Agreement] between the District, the Deerfield Developer and the Deerfield Landowner dated as of [Closing Date] (the "Deerfield True Up Agreement") are collectively referred to herein as the "Ancillary Agreements."

6. Representations, Warranties and Agreements. The District hereby represents, warrants and agrees as follows:

(a) The Board is the governing body of the District and the District is and will be on the Closing Date duly organized and validly existing as a unit of special-purpose government created pursuant to the Constitution and laws of the State, including the Act;

(b) The District has full legal right, power and authority to (i) adopt the Bond Resolution and the Assessment Resolutions, (ii) enter into the Financing Documents and Ancillary Agreements, (iii) sell, issue and deliver the Bonds to the Underwriter as provided herein, (iv) apply the proceeds of the sale of the Bonds for the purposes described in the Limited Offering Memoranda, (v) acknowledge the use of the Limited Offering Memoranda and authorize the execution of the Limited Offering Memorandum, and (vi) carry out and consummate the transactions contemplated by the Bond Resolution, the Assessment Resolutions, the Financing Documents, the Ancillary Agreements, and the Limited Offering Memoranda, including but not limited to entering into a collection agreement to provide for the collection of the Series 2019 Special Assessments using the Uniform Method in accordance with the Indenture. The District has complied, and on the Closing Date will be in compliance in all material respects, with the terms of the Act and with the obligations on its part contained in the Bond Resolution, the Assessment Resolutions, the Financing Documents, the Ancillary Agreements and the Bonds;

(c) At meetings of the Board that were duly called and noticed and at which a quorum was present and acting throughout, the Board duly adopted the Bond Resolution and the Assessment Resolutions, and the same are in full force and effect and have not been supplemented, amended, modified or repealed, except as set forth therein. By all necessary official Board action, the District has duly authorized and approved the delivery of the Preliminary Limited Offering Memorandum and the execution and delivery of the Financing Documents, the Ancillary Agreements, the Bonds and the Limited Offering Memorandum, has duly authorized and approved the performance by the District of the obligations on its part contained in the Financing Documents, the Ancillary Agreements and the Bonds and the consummation by it of all other transactions contemplated by this Purchase Contract and the Preliminary Limited Offering Memorandum in connection with the issuance of the Bonds. Upon execution and delivery by the District and the Trustee (and assuming the due authorization, execution and delivery of the Indenture by the Trustee), the Indenture will constitute a legal, valid and binding obligation of the District, enforceable in accordance with its terms, subject only to applicable bankruptcy, insolvency, and similar laws affecting creditors' rights and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law). Upon execution by the District and the other parties thereto (and assuming the due authorization, execution and delivery of such agreements by the other parties thereto) the Financing Documents and the Ancillary Agreements will constitute the legal, valid and binding obligations of the District, enforceable in accordance with their terms, subject only to applicable bankruptcy, insolvency and similar laws affecting creditors' rights and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law);

(d) Except as may be expressly disclosed in the Preliminary Limited Offering Memorandum, the District is not in material breach of or material default under any applicable provision of the Act or any applicable constitutional provision or statute or, to the best of its knowledge, administrative regulation of the State or the United States of America or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement, or 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 its 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 material

event of default under any such instrument, and the execution and delivery of the Bonds, the Financing Documents, the Ancillary Agreements and the Limited Offering Memorandum and the adoption of the Bond Resolution and the Assessment Resolutions, and compliance with the provisions on the District's part contained therein, will not conflict with or constitute a material breach of or material default under any applicable constitutional provision, or law, or, to the best of its knowledge, any administrative regulation, judgment, decree, 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, nor will any such execution, delivery, adoption, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Indenture. To the best of its knowledge, no event has occurred which, with the lapse of time or the giving of notice, or both, would constitute an event of default (as therein defined) under the Bonds, the Financing Documents or the Ancillary Agreements;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matters which are required for the due authorization by, or which would constitute a condition precedent to, or the absence of which would materially adversely affect, the due performance by the District of its obligations, to issue the Bonds, or under the Bonds, the Bond Resolution, the Assessment Resolutions, Financing Documents or the Ancillary Agreements, have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds;

(f) The descriptions of the Bonds, the Financing Documents, the Ancillary Agreements and the Projects to the extent referred to in the Preliminary Limited Offering Memorandum, conform in all material respects to the Bonds, the Financing Documents, the Ancillary Agreements and the Projects, respectively;

(g) The Bonds, when issued, executed and delivered in accordance with the Indenture and when sold to the Underwriter as provided herein, will be validly issued and outstanding obligations of the District, entitled to the benefits of the Indenture and upon such issuance, execution and delivery of the Bonds, the Indenture will provide, for the benefit of the holders from time to time of the Bonds, a legally valid and binding pledge of and first lien on the applicable Pledged Revenues. On the Closing Date, all conditions precedent to the issuance of the Bonds set forth in the Indenture will have been complied with or fulfilled;

(h) As of the date hereof, there is no claim, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to its best knowledge, threatened against the District (i) contesting the organization, existence or powers of the District or the titles of the respective officers of the Board to their respective offices, (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the application of the proceeds of the sale thereof for the purposes described in the Limited Offering Memoranda or the collection of Series 2019 Special Assessments or the pledge of and lien on the applicable Pledged Revenues, pursuant to the Indenture, (iii) contesting or affecting specifically as to the District the validity or enforceability of the Act or any

action of the District in any respect relating to the authorization for the issuance of the Bonds, or the authorization of the Projects, the Bond Resolution, the Assessment Resolutions, the Financing Documents and Ancillary Agreements, or the application of the proceeds of the Bonds for the purposes set forth in the Limited Offering Memoranda, (iv) contesting the federal tax status of the Bonds, or (v) contesting the completeness or accuracy of the Limited Offering Memoranda or any supplement or amendment thereto;

(i) To the extent applicable, the District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order to (i) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and the District will use its best efforts to continue such qualifications in effect so long as required for the initial limited offering and distribution of the Bonds; provided, however, that the District shall not be required to execute a general or special consent to service of process or to qualify to do business in connection with any such qualification or determination in any jurisdiction or register as a broker/dealer;

(j) As of its date (unless an event occurs of the nature described in paragraph (l) of this Section 6) and at all times subsequent thereto, up to and including the Closing Date, the statements and information contained in the Preliminary Limited Offering Memorandum (other than "Permitted Omissions") and in the Limited Offering Memorandum are and will be accurate in all material respects for the purposes for which their use is authorized and do not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that no representation is made concerning information contained in the Limited Offering Memoranda under the captions "DESCRIPTION OF THE SERIES 2019 BONDS - Book-Entry Only System," "THE DISTRICT - District Manager and Other Consultants," "THE DEVELOPMENT," "THE DEVELOPERS," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION - The Developers" and "UNDERWRITING;"

(k) If the Limited Offering Memorandum is supplemented or amended pursuant to subsection (l) of this Section 6, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Date, the Limited Offering Memorandum as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that no representation is made concerning information contained in the Limited Offering Memorandum under the captions "DESCRIPTION OF THE SERIES 2019 BONDS - Book-Entry Only System," "THE DISTRICT - District Manager and Other Consultants," "THE DEVELOPMENT," "THE DEVELOPERS," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION - The Developers" and "UNDERWRITING;"

(l) If between the date of this Purchase Contract and the earlier of (i) ninety (90) days from the end of the "Underwriting Period" as defined in Rule 15c2-12, or (ii)

the time when the Limited Offering Memorandum is available to any person from the MSRB's Electronic Municipal Market Access system (but in no event less than twenty-five (25) days following the end of the Underwriting Period), any event shall occur, of which the District has actual knowledge, which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the District shall notify the Underwriter thereof, and, if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Limited Offering Memorandum, the District will at its expense supplement or amend the Limited Offering Memorandum in a form and in a manner approved by the Underwriter. The end of the Underwriting Period shall be the next business day after the Closing Date;

(m) Since its inception, there has been no material adverse change in the properties, businesses, results of operations, prospects, management or financial or other condition of the District, except as disclosed in the Preliminary Limited Offering Memorandum, and the District has not incurred liabilities that would materially adversely affect its ability to discharge its obligations under the Bond Resolution, the Assessment Resolutions, the Bonds, the Financing Documents or the Ancillary Agreements, direct or contingent, other than as set forth in or contemplated by the Preliminary Limited Offering Memorandum;

(n) Except as may be expressly disclosed in the Preliminary Limited Offering Memorandum, the District has not and is not now in default in the payment of the principal of or the interest on any governmental security issued or guaranteed by it after December 31, 1975, which would require the disclosure pursuant to Section 517.051, Florida Statutes or Rule 3E- 400.003 of the Florida Department of Financial Services;

(o) Except as may be expressly disclosed in the Preliminary Limited Offering Memorandum, the District has never failed to comply with any continuing disclosure obligations undertaken by the District in accordance with the continuing disclosure requirements of Rule 15c2-12;

(p) The District has not been notified of any listing or the proposed listing of the District by the Internal Revenue Service as an issuer whose arbitrage certifications may not be relied upon;

(q) Any certificate signed by any official of the District and delivered to the Underwriter will be deemed to be a representation by the District to the Underwriter as to the statements made therein; and

(r) From the date of this Purchase Contract through the Closing Date, the District will not issue any bonds, notes or other obligations payable from the applicable Pledged Revenues.

7. Closing. At 10:00 a.m. prevailing time on [Closing Date] (the "Closing Date") or at such later time as may be mutually agreed upon by the District and the Underwriter, the District will, subject to the terms and conditions hereof, deliver the Bonds to the Underwriter in definitive book-entry only form, duly executed and authenticated, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the

Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof, in federal or other immediately available funds to the order of the District. Delivery of the Bonds as aforesaid shall be made pursuant to the FAST system of delivery of The Depository Trust Company, New York, New York, or at such other place as may be mutually agreed upon by the District and the Underwriter. The Bonds shall be typewritten, shall be prepared and delivered as fully registered bonds in book-entry only form, with one bond for each Series and maturity, registered in the name of Cede & Co. and shall be made available to the Underwriter at least one (1) business day before the Closing Date for purposes of inspection and packaging, unless otherwise agreed by the District and the Underwriter.

8. Closing Conditions. The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties and agreements of the District contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the District of its obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter's obligations under this Purchase Contract are conditioned upon the performance by the District of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing Date, and are also subject to the following additional conditions:

(a) The representations and warranties of the District contained herein shall be true, complete and correct, on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

(b) At the time of the Closing, the Bond Resolution, the Assessment Resolutions, the Bonds, the Financing Documents and the Ancillary Agreements shall each be in full force and effect in accordance with their respective terms and the Bond Resolution, the Assessment Resolutions, the Indenture and the Limited Offering Memorandum shall not have been supplemented, amended, modified or repealed, except in any such case as may have been agreed to by the Underwriter;

(c) At or prior to the Closing Date, the Underwriter and the District shall have received each of the following:

(1) The Limited Offering Memorandum and each supplement or amendment, if any, thereto, executed on behalf of the District by the Chair of the Board or such other authorized member of the Board;

(2) A copy of each of the Bond Resolution and the Assessment Resolutions certified by the Secretary or an Assistant Secretary of the Board under seal as having been duly adopted by the Board of the District and as being in full force and effect;

(3) Executed copies of each of the Financing Documents and Ancillary Agreements;

(4) The opinion, dated as of the Closing Date and addressed to the District, of Bryant Miller Olive P.A., Bond Counsel, in substantially the form attached to the Preliminary Limited Offering Memorandum as Appendix D, together with a letter of such counsel, dated as of the Closing Date and addressed to the Underwriter and the Trustee, to the effect that the foregoing opinion

addressed to the District may be relied upon by the Underwriter and the Trustee to the same extent as if such opinion were addressed to them;

(5) The opinion of Bond Counsel to the effect that Bond Counsel has reviewed the statements contained in the Limited Offering Memorandum under the sections captioned "DESCRIPTION OF THE SERIES 2019 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 2019 BONDS" (other than the portions thereof captioned "Collateral Assignment," "True-Up Agreement" and "Completion Agreement" as to all of which no opinion will be expressed), "APPENDIX C - FORMS OF MASTER INDENTURE, FIRST SUPPLEMENTAL INDENTURE, SECOND SUPPLEMENTAL INDENTURE AND THIRD SUPPLEMENTAL INDENTURE" and "APPENDIX D - FORM OF OPINION OF BOND COUNSEL" and, insofar as such statements purport to be summaries of certain provisions of the Series 2019 Bonds, the Act and the Indenture, they constitute a fair summary of the information purported to be summarized therein, and the statements in the Limited Offering Memorandum on the cover relating to Bond Counsel's opinion and under the caption "TAX MATTERS" are accurate statements or summaries of the matters therein set forth;

(6) The opinion, dated as of the Closing Date and addressed to the District and the Underwriter, of Cobb Cole, P.A., counsel to the District, substantially in the form attached hereto as Exhibit C;

(7) An opinion, dated as of the Closing Date and addressed to the Underwriter, Underwriter's Counsel, the District and Bond Counsel, of counsel to the Trustee, in form and substance acceptable to Bond Counsel, Underwriter, Underwriter's Counsel, and the District;

(8) A customary authorization and incumbency certificate, dated as of the Closing Date, signed by authorized officers of the Trustee;

(9) The opinion, dated as of the Closing Date and addressed to the District and the Underwriter, of Cobb Cole, P.A., counsel to the Huntington Developer, substantially in the form attached hereto as Exhibit D;

(10) The opinion, dated as of the Closing Date and addressed to the District and the Underwriter, of [_____], counsel to the Deerfield Developer and Deerfield Landowner, substantially in the form attached hereto as Exhibit E;

(11) Certificate of the Huntington Developer, dated as of the Closing Date, substantially in the form attached hereto as Exhibit F;

(12) Certificate of the Deerfield Developer and Deerfield Landowner, dated as of the Closing Date, substantially in the form attached hereto as Exhibit G;

(13) A copy of the Petition to establish the District approved by the Flagler County Board of County Commissioners;

(14) A certificate, dated as of the Closing Date, signed by the Chair or Vice Chair and the Secretary or an Assistant Secretary of the Board, setting forth that (i) each of the representations of the District contained herein was true and accurate in all material respects on the date when made, has been true and accurate in all material respects at all times since, and continues to be true and accurate in all material respects on the Closing Date as if made on such date, (ii) the District has performed all obligations to be performed hereunder as of the Closing Date, (iii) except as may be disclosed in the Limited Offering Memorandum, the District has never been in default as to principal or interest with respect to any obligation issued or guaranteed by the District, (iv) the District agrees to take all reasonable action necessary to use the Uniform Method or the direct collection method, as the case may be, as the means of collecting the Series 2019 Special Assessments as described in the Indenture, and (v) the Limited Offering Memoranda (other than the information under the captions "DESCRIPTION OF THE SERIES 2019 BONDS - Book-Entry Only System," "THE DISTRICT - District Manager and Other Consultants," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION - The Developers" and "UNDERWRITING", as to which no view need be expressed) as of their date, and as of the Closing Date, does not contain any untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Limited Offering Memoranda are to be used, or which is necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(15) A customary signature and no litigation certificate, dated as of the Closing Date, signed on behalf of the District by the Chair or Vice Chair and Secretary or an Assistant Secretary of the Board;

(16) Evidence of compliance by the District with the requirements of Section 189.051, Florida Statutes and Section 215.84, Florida Statutes;

(17) Executed copy of the District's Arbitrage Certificate;

(18) Executed copy of Internal Revenue Service Form 8038-G relating to the Bonds;

(19) A certificate of the District Engineer, dated as of the Closing Date, substantially in the form attached hereto as Exhibit H;

(20) A certificate of the District Manager, Assessment Consultant and Dissemination Agent, dated as of the Closing Date, substantially in the form attached hereto as Exhibit I;

(21) Such additional documents as may be required by the Indenture to be delivered as a condition precedent to the issuance of the Bonds;

(22) A certified copy of the Final Judgment of the Circuit Court in and for Flagler County, Florida issued on November 19, 2014, validating the Bonds and appropriate certificate of no-appeal;

(23) A copy of the Preliminary Master Special Assessment Methodology Report and the First Addendum to Master Special Assessment Methodology Report, as amended and supplemented from time to time, relating to the Bonds;

(24) A copy of the Engineer's Report;

(25) A [Declaration of Consent to Imposition of Special Assessments] of the Huntington Developer with respect to all real property owned by the Huntington Developer which is subject to the Series 2019 Special Assessments, in form and substance acceptable to the Underwriter and Underwriter's Counsel (the "Huntington Declaration");

(26) A [Declaration of Consent to Imposition of Special Assessments] of the Deerfield Landowner with respect to all real property owned by the Deerfield Landowner which is subject to the Series 2019 Special Assessments, in form and substance acceptable to the Underwriter and Underwriter's Counsel (the "Deerfield Declaration");

(27) A mortgagee special assessment acknowledgment executed by Revere High Yield Fund, L.P., in form and substance acceptable to the Underwriter and Underwriter's Counsel;

(28) A mortgagee special assessment acknowledgment executed by NPC III, LLC, in form and substance acceptable to the Underwriter and Underwriter's Counsel; and

(29) Such additional legal opinions, certificates, instruments and other documents as the Underwriter, Underwriter's Counsel or Bond Counsel may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the District's representations and warranties contained herein and of the statements and information contained in the Limited Offering Memoranda and the due performance or satisfaction by the District and the Developers on or prior to the Closing of all the agreements then to be performed and conditions then to be satisfied by each.

If the District shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase (unless waived by the Underwriter in its sole discretion), to accept delivery of and to pay for the Bonds contained in this Purchase Contract, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor the District shall be under any further obligation hereunder, except that the respective obligations of the District and the Underwriter set forth in Section 10 hereof shall continue in full force and effect.

9. Termination. The Underwriter shall have the right to terminate its obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds by

notifying the District of its election to do so if, after the execution hereof and prior to the Closing: (i) legislation shall have been introduced in or enacted by the Congress of the United States or enacted by the State, or legislation pending in the Congress of the United States shall have been amended, or legislation shall have been recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairperson 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, or legislation shall have been proposed for consideration by either such committee, by any member thereof, or legislation shall have been favorably reported for passage to either House of Congress of the United States by a committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or the State, including the Tax Court of the United States, or a ruling shall have been made or a regulation shall have been proposed or made or a press release or other form of notice shall have been issued by the Treasury Department of the United States, or the Internal Revenue Service or other federal or State authority, with respect to federal or State taxation upon revenues or other income of the general character to be derived by the District or by any similar body, or upon interest on obligations of the general character of the Bonds, which may have the purpose or effect, directly or indirectly, of materially and adversely affecting the tax status of the District, its property or income, its securities (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by the State or, which in the reasonable opinion of the Underwriter, affects materially and adversely the market for the Bonds, or the market price generally of obligations of the general character of the Bonds; (ii) the District or each Developer has, without the prior written consent of the Underwriter, offered or issued any bonds, notes or other obligations for borrowed money, or incurred any material liabilities, direct or contingent, or there has been an adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the District or each Developer, other than in the ordinary course of its business; (iii) any event shall have occurred or shall exist which, in the reasonable opinion of the Underwriter, would or might cause the information contained in the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; or (iv) the District fails to adopt the Assessment Resolutions or fails to perform any action to be performed by it in connection with the levy of the Series 2019 Special Assessments.

10. Expenses.

(a) The District agrees to pay, and the Underwriter shall not be obligated to pay, any expenses incident to the performance of the District's obligations hereunder, including, but not limited to (i) the cost of the preparation and distribution of the Indenture, (ii) the cost of the preparation and printing of the Limited Offering Memoranda and any supplements thereto, together with a reasonable number of copies which the Underwriter may request, (iii) the cost of registering the Bonds in the name of Cede & Co., as nominee of DTC, which will act as securities depository for such Bonds, and (iv) the fees and disbursements of counsel to the District, the District Manager, Bond Counsel, Underwriter's Counsel, the Assessment Consultant, the District Engineer, and any other experts or consultants retained by the District. The District's obligations under this Section 10(a) shall survive any termination of the Purchase Contract pursuant to either Section 8 or 9 hereof.

(b) The Underwriter agrees to pay all advertising expenses in connection with the Bonds, if any.

11. No Advisory or Fiduciary Role. The District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the District and the Underwriter, (ii) in connection with such transaction and with the discussions, undertakings and procedures leading up to such transaction, the Underwriter is and has been acting solely as a principal and not 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 any advisory or fiduciary responsibility in favor of the District with respect to the placement contemplated hereby or the discussions, undertakings and procedures leading thereto (whether or not any Underwriter, or any affiliate of an Underwriter, has advised or is currently advising the District on other matters) or any other obligation to the District except the obligations expressly set forth in this Purchase Contract, (iv) the Underwriter has financial and other interests that differ from those of the District and (v) the District has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds. In addition, the District acknowledges receipt from the Underwriter of disclosures under Rule G-17 of the MSRB.

12. Notices. Any notice or other communication to be given to the District under this Purchase Contract may be given by delivering the same in writing to the District Manager at Wrathell, Hunt & Associates, LLC, 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to FMSbonds, Inc., 20660 W. Dixie Highway, North Miami Beach, Florida 33180, Attention: Jon Kessler.

13. Parties in Interest; Survival of Representations. This Purchase Contract is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the District's representations, warranties and agreements contained in this Purchase Contract shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriter and (ii) delivery of and payment for the Bonds pursuant to this Purchase Contract.

14. Effectiveness. This Purchase Contract shall become effective upon the execution by the appropriate officials of the District and shall be valid and enforceable at the time of such acceptance. To the extent of any conflict between the provisions of this Purchase Contract and any prior contract between the parties hereto, the provisions of this Purchase Contract shall govern.

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

16. Amendment. No modification, alteration or amendment to this Purchase Contract shall be binding upon any party until such modification, alteration or amendment is reduced to writing and executed by all parties hereto.

17. Governing Law. This Purchase Contract shall be governed and construed in accordance with the laws of the State.

18. **Counterparts; Facsimile.** This Purchase Contract may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were signatures upon the same instrument. Facsimile and pdf signatures shall be deemed originals.

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Very truly yours,

FMSBONDS, INC.

By: _____
Theodore A. Swinarski,
Senior Vice President – Municipal Trading

Accepted and agreed to this
[] day of January, 2019.

**HUNTER'S RIDGE COMMUNITY
DEVELOPMENT DISTRICT NO. 1**

By: _____
Howard B. Lefkowitz,
Chair, Board of Supervisors

EXHIBIT A

DISCLOSURE AND TRUTH-IN-BONDING STATEMENT

[BPA Date]

Hunter's Ridge Community Development District No. 1
Flagler County, Florida

Re: \$[_____] Hunter's Ridge Community Development District No. 1 Special
Assessment Bonds, Series 2019 (Assessment Area One)

\$[_____] Hunter's Ridge Community Development District No. 1 Special
Assessment Bonds, Series 2019A (Assessment Area Two)

\$[_____] Hunter's Ridge Community Development District No. 1 Special
Assessment Bonds, Series 2019B (Assessment Area Two)

Dear Ladies and Gentlemen:

Pursuant to Chapter 218.385, Florida Statutes, and with respect to the issuance of the above-referenced bonds (the "Bonds"), FMSbonds, Inc. (the "Underwriter"), having purchased the Bonds pursuant to a Bond Purchase Contract dated [BPA Date] (the "Purchase Contract"), between the Underwriter and Hunter's Ridge Community Development District No. 1 (the "District"), furnishes the following information in connection with the limited offering and sale of the Bonds:

1. The total underwriting discount paid to the Underwriter pursuant to the Bond Purchase Contract is approximately \$[___] per \$1,000.00 or \$[_____].
2. The names, addresses and estimated amounts of compensation of any person who is not regularly employed by, or not a partner or officer of, the Underwriter, bank, banker, or financial consultant or advisor and who enters into an understanding with either the District or the Underwriter, or both, for any paid or promised compensation or valuable consideration directly, expressly or impliedly, to act solely as an intermediary between the District and the Underwriter for the purposes of influencing any transaction in the purchase of the Bonds are: None.
3. The nature and estimated amounts of expenses to be incurred by the Underwriter in connection with the issuance of the Bonds are set forth in Schedule I attached hereto.
4. The management fee charged by the Underwriter is: \$0.
5. Any other fee, bonus or other compensation estimated to be paid by the Underwriter in connection with the Bonds to any person not regularly employed or retained by the Underwriter is as follows: None. Nabors, Giblin & Nickerson, P.A., has been retained as counsel to the Underwriter and will be compensated by the District.

The District is proposing to issue \$[_____] aggregate amount of the Bonds for the purpose of providing moneys to (i) finance the Costs of acquiring, constructing and equipping a portion of the Projects, (ii) pay certain costs associated with the issuance of the Bonds, (iii) make a deposit into the applicable Debt Service Reserve Account for the benefit of each applicable Series of Bonds, and (iv) pay a portion of the interest to become due on the Bonds. This debt or obligation is expected to be repaid over a period of [thirty (30)] years. At a net interest cost of approximately [_____]%, total interest paid over the life of the Bonds will be \$[_____].

The source of repayment for the Bonds is the Series 2019 Special Assessments imposed and collected by the District. Based solely upon the assumptions set forth in the paragraph above, the issuance of the Bonds will result in approximately \$[_____] (representing average annual debt service on the Bonds) of the District's special assessment revenues not being available to the District on an annual basis to finance other services of the District; provided however, that in the event that the Bonds were not issued, the District would not be entitled to impose and collect the Series 2019 Special Assessments in the amount of the principal of and interest to be paid on the Bonds.

The address of the Underwriter is:

FMSbonds, Inc.
20660W. Dixie Highway
North Miami Beach, Florida 33180

Sincerely,

By: _____
Theodore A. Swinarski,
Senior Vice President - Municipal Trading

SCHEDULE I

<u>Expense</u>	<u>Amount</u>
DALCOMP	
CUSIP	
Day Loan	
DTC	
FINRA/SIPC	
MSRB	
Travel/Calls	
<hr/>	
Total	

EXHIBIT B

TERMS OF BONDS

1. **Purchase Price:** \$[_____]

2. **Maturity Dates, Principal Amounts, Interest Rates, Yields and Prices:**

Bond	Maturity Date	Amount	Interest Rate	Yield	Price
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* Represents maturity for which 10% test has been met as of sale date.

3. **Redemption Provisions:**

Optional Redemption

The Series 2019 Area One Bonds may, at the option of the District in writing, be called for redemption prior to maturity in whole, on any date, or in part on any Redemption Date, on or after May 1, 2030 (less than all Series 2019 Area One Bonds to be selected by the District in writing), at a Redemption Price equal to 100% of the principal amount of the Series 2019 Area One Bonds to be redeemed plus accrued interest from the most recent Interest Payment Date to the date of redemption.

The Series 2019A Area Two Bonds may, at the option of the District in writing, be called for redemption prior to maturity in whole, on any date, or in part on any Redemption Date, on or after May 1, 2035 (less than all Series 2019A Area Two Bonds to be selected by the District in writing), at a Redemption Price equal to 100% of the principal amount of the Series 2019A Area Two Bonds to be redeemed plus accrued interest from the most recent Interest Payment Date to the date of redemption.

The Series 2019B Area Two Bonds are not subject to redemption at the option of the District.

Mandatory Sinking Fund Redemption

The Series 2019 Area One Bond maturing on May 1, 20[___], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2019 Area One Sinking Fund Account established under the First Supplement in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% 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 (May 1)</u>	<u>Sinking Fund Installment</u>	<u>Year (May 1)</u>	<u>Sinking Fund Installment</u>
-------------------------	---	-------------------------	---

*Final Maturity

The Series 2019A Area Two Bond maturing on May 1, 20[___], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2019A Area Two Sinking Fund Account established under the Second Supplement in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% 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 (May 1)</u>	<u>Sinking Fund Installment</u>	<u>Year (May 1)</u>	<u>Sinking Fund Installment</u>
-------------------------	---	-------------------------	---

*Final Maturity

The Series 2019B Area Two Bonds are not subject to mandatory redemption.

Extraordinary Mandatory Redemption

The Series 2019 Area One Bonds are subject to extraordinary mandatory redemption prior to maturity by the District, in whole, on any date, or in part, on any Redemption Date, [in the manner determined by the Bond Registrar] at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Series 2019 Area One Bonds to be redeemed, plus interest accrued to the date of redemption, as follows:

(i) from Series 2019 Area One Prepayments deposited into the Series 2019 Area One Prepayment Account of the Series 2019 Area One Bond Redemption Fund following the payment in whole or in part of Series 2019A Area One Special Assessments on any portion of Assessment Area One in accordance with the provisions of the First Supplemental Indenture.

(ii) on or after the Completion Date of the Assessment Area One Project, by application of moneys remaining in the Series 2019 Area One Acquisition and Construction Account of the Acquisition and Construction Fund not reserved by the District for the payment of any remaining part of the Cost of the Assessment Area One Project, which has been transferred as specified in the First Supplemental Indenture to the Series 2019 Area One General Account of the Series 2019 Area One Bond Redemption Fund, credited toward extinguishment of the Series 2019 Area One Special Assessments and applied toward the redemption of the Series 2019 Area One Bonds in accordance with the manner it has credited such excess moneys toward extinguishment of Series 2019 Area One Special Assessments which the District shall describe to the Trustee in writing.

(iii) from moneys, if any, on deposit in the Series 2019 Area One Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Outstanding Series 2019 Area One Bonds and accrued interest thereon to the date of redemption in addition to all amounts owed to Persons under the First Supplement.

The Series 2019A Area Two Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole, on any date, or in part, on any Redemption Date, [in the manner determined by the Bond Registrar] at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Series 2019A Area Two Bonds to be redeemed, plus interest accrued to the date of redemption, as follows:

(i) from Series 2019A Area Two Prepayments deposited into the Series 2019A Area Two Prepayment Account of the Series 2019A Area Two Bond Redemption Fund following the payment in whole or in part of Series 2019A Area Two Special Assessments on any portion of Assessment Area Two in accordance with the provisions of the Second Supplemental Indenture.

(ii) on or after the Completion Date of the Assessment Area Two Project, by application of moneys remaining in the Series 2019A Area Two Acquisition and Construction Account of the Acquisition and Construction Fund not reserved by the District for the payment of any remaining part of the Cost of the Assessment Area Two Project, which has been transferred as specified in the Second Supplemental Indenture to the Series 2019A Area Two General Account of the Series 2019A Area Two Bond Redemption Fund, credited toward extinguishment of the Series 2019A Area Two Special Assessments and applied toward the redemption of the Series 2019A Area Two Bonds in accordance with the manner it has credited such excess moneys toward extinguishment of Series 2019A Area Two Special Assessments which the District shall describe to the Trustee in writing.

(iii) from moneys, if any, on deposit in the Series 2019A Area Two Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Outstanding Series 2019A Area Two Bonds and accrued interest thereon to the date of redemption in addition to all amounts owed to Persons under the Second Supplement.

The Series 2019B Area Two Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole, on any date, or in part, on any Redemption Date, [in the manner determined by the Bond Registrar] at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Series 2019B Area Two Bonds to be redeemed, plus interest accrued to the date of redemption, as follows:

(i) from Series 2019B Area Two Prepayments deposited into the Series 2019B Area Two Prepayment Account of the Series 2019B Area Two Bond Redemption Fund following the payment in whole or in part of Series 2019B Area Two Special Assessments on any portion of Assessment Area Two in accordance with the provisions of the Third Supplemental Indenture.

(ii) on or after the Completion Date of the Assessment Area Two Project, by application of moneys remaining in the Series 2019 Area Two Acquisition and Construction Account of the Acquisition and Construction Fund not reserved by the District for the payment of any remaining part of the Cost of the Assessment Area Two Project, which has been transferred as specified in the Third Supplemental Indenture to the Series 2019B Area Two General Account of the Series 2019B Area Two Bond Redemption Fund, credited toward extinguishment of the Series 2019B Area Two Special Assessments and applied toward the redemption of the Series 2019B Area Two Bonds in accordance with the manner it has credited

such excess moneys toward extinguishment of Series 2019B Area Two Special Assessments which the District shall describe to the Trustee in writing.

(iii) from moneys, if any, on deposit in the Series 2019B Area Two Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Outstanding Series 2019B Area Two Bonds and accrued interest thereon to the date of redemption in addition to all amounts owed to Persons under the Third Supplement.

EXHIBIT C

FORM OF DISTRICT COUNSEL'S OPINION

[TO BE PROVIDED]

EXHIBIT D

FORM OF HUNTINGTON DEVELOPER COUNSEL'S OPINION

[TO BE PROVIDED]

EXHIBIT E

**FORM OF DEERFIELD DEVELOPER AND
DEERFIELD LANDOWNER COUNSEL'S OPINION**

[TO BE PROVIDED]

EXHIBIT F

FORM OF CERTIFICATE OF HUNTINGTON DEVELOPER

BADC HUNTINGTON COMMUNITIES, LLC, a Florida limited liability company (the "Huntington Developer") DOES HEREBY CERTIFY, that:

1. This Certificate of the Huntington Developer is furnished pursuant to Section 8(c)(11) of the Bond Purchase Contract dated [BPA Date] (the "Purchase Contract") between Hunter's Ridge Community Development District No. 1 (the "District") and FMSbonds Inc. (the "Underwriter") relating to the sale by the District of \$[_____] aggregate principal amount of Special Assessment Bonds, Series 2019 (Assessment Area One), \$[_____] aggregate principal amount of Special Assessment Bonds, Series 2019A (Assessment Area Two) and \$[_____] aggregate principal amount of Special Assessment Bonds, Series 2019B (Assessment Area Two) (collectively, the "Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Contract.

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

3. Representatives of the Huntington Developer have provided information to the District and the Underwriter to be used in connection with the offering by the District of its Bonds, pursuant to a Preliminary Limited Offering Memorandum dated [_____] (the "Preliminary Limited Offering Memorandum") and a Limited Offering Memorandum dated [BPA Date] (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda").

4. The Ancillary Agreements, dated as of [Closing Date], executed by the Huntington Developer constitute a valid and binding obligation of the Huntington Developer, enforceable against the Huntington Developer in accordance with their terms.

5. With respect to the Huntington Developer and Huntington at Hunter's Ridge only, the Huntington Developer has reviewed and approved the information contained in the Limited Offering Memoranda under the captions "THE ASSESSMENT AREA ONE PROJECT AND ASSESSMENT AREA TWO PROJECT," "THE DEVELOPMENT," "THE DEVELOPERS - Huntington at Hunter's Ridge," "LITIGATION - The Developers," "CONTINUING DISCLOSURE" and "BONDOWNERS' RISKS" and warrants and represents that such information did not as of its date, and does not as of the date hereof, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. In addition, the Huntington Developer is not aware of any other information in the Limited Offering Memoranda that contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

6. The Huntington Developer represents and warrants that it has complied with and will continue to comply with Chapter 190.048, Florida Statutes, as amended.

7. As of the date hereof, there has been no material adverse change in the business, properties, assets or financial condition of the Huntington Developer which has not been

disclosed in the Limited Offering Memoranda and/or in all other information provided by the Huntington Developer to the Underwriter or the District.

8. The Huntington Developer hereby consents to the levy of the Series 2019 Special Assessments on the lands in the District owned by the Huntington Developer. The levy of the Series 2019 Special Assessments on the District Lands owned by the Huntington Developer will not conflict with or constitute a breach of or default under any agreement, mortgage, lien or other instrument to which the Huntington Developer is a party or to which its property or assets are subject. The Huntington Developer agrees and acknowledges that the Series 2019 Special Assessments are valid and binding first liens on the real property on which they have been levied which is owned by the Huntington Developer.

9. The Huntington 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. The Huntington 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.

10. The Huntington Developer acknowledges that the Bonds have the debt service requirements set forth in the Limited Offering Memorandum and that the Series 2019 Special Assessments will be levied by the District at times, and in amounts sufficient, to enable the District to pay debt service on the Bonds when due (the foregoing is referred to as the "Debt Service Acknowledgment").

11. To the best of our knowledge, the Huntington Developer is not in default under any other resolution, ordinance, agreement or indenture, mortgage, lease, deed of trust, note or other instrument to which the Huntington Developer is subject or by which the Huntington Developer or its properties are or may be bound, which would have a material adverse effect on the consummation of the transactions contemplated by the Financing Documents, Ancillary Agreements or on Huntington at Hunter's Ridge and is current in the payment of all ad valorem, federal and state taxes associated with Huntington at Hunter's Ridge.

12. Except as otherwise disclosed in the Limited Offering Memoranda, there is no action, suit or proceedings at law or in equity by or before any court or public board or body pending or, solely to the best of our knowledge, threatened against the Huntington Developer (or any basis therefor) (a) seeking to restrain or enjoin the execution or delivery of the Financing Documents, Huntington Declaration and/or Ancillary Agreements to which the Huntington Developer is a party, (b) contesting or affecting the validity or enforceability of the Financing Documents, Huntington Declaration and/or Ancillary Agreements, or any and all such other agreements or documents as may be required to be executed, or the transactions contemplated thereunder, or (c) contesting or affecting the establishment or existence of the Huntington Developer, or of the Huntington Developer's business, assets, property or conditions, financial or otherwise, or contesting or affecting any of the powers of the Huntington Developer.

13. To the best of our knowledge after due inquiry, the Huntington Developer are in compliance in all material respects with all provisions of applicable law in all material matters relating to Huntington at Hunter's Ridge as described in the Limited Offering Memoranda, including applying for all necessary permits. Except as otherwise described in the Limited Offering Memoranda, (a) Huntington at Hunter's Ridge is zoned and properly designated for its

intended use, (b) all government permits other than certain permits, which permits are expected to be received as needed, have been received, (c) the Huntington Developer is not aware of any default of any zoning condition, permit or development agreement which would adversely affect the Huntington Developer's ability to complete or cause the completion of development of Huntington at Hunter's Ridge as described in the Limited Offering Memoranda and all appendices thereto, and (d) there is no reason to believe that any permits, consents and licenses required to complete Huntington at Hunter's Ridge as described in the Limited Offering Memoranda will not be obtained as required.

[14. To the best of our knowledge after due inquiry, the payments required for satisfaction of the concurrency obligations as set forth in the Hunter's Ridge DRI with respect to Huntington at Hunter's Ridge have been made.]

15. The Huntington Developer acknowledges that it will have no rights under Chapter 170, Florida Statutes, as amended, to prepay, without interest, the Series 2019 Special Assessments imposed on lands in the District owned by the Huntington Developer within thirty (30) days following completion of the Projects and acceptance thereof by the District.

16. The Huntington Developer has never failed to timely comply with disclosure obligations pursuant to SEC Rule 15c2-12, other than as disclosed in the Limited Offering Memorandum, and the Huntington Developer is not insolvent.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, I have hereunder set my hand this [___] day of [_____], 2019.

BADC HUNTINGTON COMMUNITIES, LLC,
a Florida limited liability company,

By: BADC Asset Managers, Inc.,
a Florida corporation
Its Manager

By: _____
Howard B. Lefkowitz, Vice President

EXHIBIT G

**FORM OF CERTIFICATE OF
DEERFIELD DEVELOPER & DEERFIELD LANDOWNER**

[_____] , a [_____] (the "Deerfield Developer"), and [_____] , a [_____] (the "Deerfield Landowner") DOES HEREBY CERTIFY, that:

1. This Certificate of the Deerfield Developer & Deerfield Landowner is furnished pursuant to Section 8(c)(12) of the Bond Purchase Contract dated [BPA Date] (the "Purchase Contract") between Hunter's Ridge Community Development District No. 1 (the "District") and FMSbonds Inc. (the "Underwriter") relating to the sale by the District of \$[_____] aggregate principal amount of Special Assessment Bonds, Series 2019 (Assessment Area One), \$[_____] aggregate principal amount of Special Assessment Bonds, Series 2019A (Assessment Area Two) and \$[_____] aggregate principal amount of Special Assessment Bonds, Series 2019B (Assessment Area Two) (collectively, the "Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Contract.

2. The Deerfield Developer is a [_____] organized and existing under the laws of the State of [_____] [and is authorized to do business in the State of Florida] and the Deerfield Landowner is a [_____] organized and existing under the laws of the State of [_____] [and is authorized to do business in the State of Florida].

3. Representatives of each of the Deerfield Developer and Deerfield Landowner have provided information to the District and the Underwriter to be used in connection with the offering by the District of its Bonds, pursuant to a Preliminary Limited Offering Memorandum dated [_____] (the "Preliminary Limited Offering Memorandum") and a Limited Offering Memorandum dated [BPA Date] (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda").

4. The Ancillary Agreements, dated as of [Closing Date], executed by the Deerfield Developer and/or Deerfield Landowner constitute a valid and binding obligation of the Deerfield Developer and/or Deerfield Landowner, enforceable against the Deerfield Developer and/or Deerfield Landowner in accordance with their terms.

5. With respect to the Deerfield Developer, the Deerfield Landowner and Deerfield Estates only, the Deerfield Developer and Deerfield Landowner have reviewed and approved the information contained in the Limited Offering Memoranda under the captions "THE ASSESSMENT AREA ONE PROJECT AND ASSESSMENT AREA TWO PROJECT," "THE DEVELOPMENT," "THE DEVELOPERS - Deerfield Estates," "LITIGATION - The Developers," "CONTINUING DISCLOSURE" and "BONDOWNERS' RISKS" and warrants and represents that such information did not as of its date, and does not as of the date hereof, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. In addition, neither the Deerfield Developer nor the Deerfield Landowner is aware of any other information in the Limited Offering Memoranda that contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

6. The Deerfield Landowner represents and warrants that it has complied with and will continue to comply with Chapter 190.048, Florida Statutes, as amended.

7. As of the date hereof, there has been no material adverse change in the business, properties, assets or financial condition of the Deerfield Developer or Deerfield Landowner which has not been disclosed in the Limited Offering Memoranda and/or in all other information provided by the Deerfield Developer and Deerfield Landowner to the Underwriter or the District.

8. The Deerfield Landowner hereby consents to the levy of the Series 2019 Special Assessments on the lands in the District owned by the Deerfield Landowner. The levy of the Series 2019 Special Assessments on the District Lands owned by the Deerfield Landowner will not conflict with or constitute a breach of or default under any agreement, mortgage, lien or other instrument to which the Deerfield Landowner is a party or to which its property or assets are subject. The Deerfield Landowner agrees and acknowledges that the Series 2019 Special Assessments are valid and binding first liens on the real property on which they have been levied which is owned by the Deerfield Landowner.

9. Neither the Deerfield Developer nor the Deerfield Landowner has 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. Neither the Deerfield Developer nor the Deerfield Landowner has 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.

10. The Deerfield Developer and Deerfield Landowner each acknowledge that the Bonds have the debt service requirements set forth in the Limited Offering Memorandum and that the Series 2019 Special Assessments will be levied by the District at times, and in amounts sufficient, to enable the District to pay debt service on the Bonds when due (the foregoing is referred to as the "Debt Service Acknowledgment").

11. To the best of our knowledge, neither the Deerfield Developer nor the Deerfield Landowner is in default under any other resolution, ordinance, agreement or indenture, mortgage, lease, deed of trust, note or other instrument to which the Deerfield Developer or Deerfield Landowner is subject or by which the Deerfield Developer or Deerfield Landowner or its properties are or may be bound, which would have a material adverse effect on the consummation of the transactions contemplated by the Financing Documents, Ancillary Agreements or on Deerfield Estates and is current in the payment of all ad valorem, federal and state taxes associated with Deerfield Estates.

12. Except as otherwise disclosed in the Limited Offering Memoranda, there is no action, suit or proceedings at law or in equity by or before any court or public board or body pending or, solely to the best of our knowledge, threatened against the Deerfield Developer or Deerfield Landowner (or any basis therefor) (a) seeking to restrain or enjoin the execution or delivery of the Financing Documents, Deerfield Declaration and/or Ancillary Agreements to which the Deerfield Developer and/or Deerfield Landowner is a party, (b) contesting or affecting the validity or enforceability of the Financing Documents, Deerfield Declaration and/or Ancillary Agreements, or any and all such other agreements or documents as may be required to be executed, or the transactions contemplated thereunder, or (c) contesting or affecting the

establishment or existence of the Deerfield Developer or the Deerfield Landowner, or of the Deerfield Developer's or Deerfield Landowner's business, assets, property or conditions, financial or otherwise, or contesting or affecting any of the powers of the Deerfield Developer or Deerfield Landowner.

13. To the best of our knowledge after due inquiry, the Deerfield Developer and Deerfield Landowner are in compliance in all material respects with all provisions of applicable law in all material matters relating to Deerfield Estates as described in the Limited Offering Memoranda, including applying for all necessary permits. Except as otherwise described in the Limited Offering Memoranda, (a) Deerfield Estates is zoned and properly designated for its intended use, (b) all government permits other than certain permits, which permits are expected to be received as needed, have been received, (c) neither the Deerfield Developer nor the Deerfield Landowner is aware of any default of any zoning condition, permit or development agreement which would adversely affect the Deerfield Developer's ability to complete or cause the completion of development of Deerfield Estates as described in the Limited Offering Memoranda and all appendices thereto, and (d) there is no reason to believe that any permits, consents and licenses required to complete Deerfield Estates as described in the Limited Offering Memoranda will not be obtained as required.

[14. To the best of our knowledge after due inquiry, the payments required for satisfaction of the concurrency obligations as set forth in the Hunter's Ridge DRI with respect to Deerfield Estates have been made.]

15. The Deerfield Landowner acknowledges that it will have no rights under Chapter 170, Florida Statutes, as amended, to prepay, without interest, the Series 2019 Special Assessments imposed on lands in the District owned by the Deerfield Landowner within thirty (30) days following completion of the Assessment Area Two Project and acceptance thereof by the District.

16. Neither the Deerfield Developer nor the Deerfield Landowner has failed to timely comply with disclosure obligations pursuant to SEC Rule 15c2-12, other than as disclosed in the Limited Offering Memorandum, and neither the Deerfield Developer nor the Deerfield Landowner is insolvent.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, we have hereunder set our hands this [] day of [], 2019.

[ADD SIGNATURE BLOCKS]

EXHIBIT H

FORM OF CERTIFICATE OF DISTRICT ENGINEER

ZEV COHEN & ASSOCIATES, INC. (the "Engineer"), DOES HEREBY CERTIFY, that:

1. This certificate is furnished pursuant to Section 8(c)(19) of the Bond Purchase Contract dated [BPA Date] (the "Purchase Contract"), between Hunter's Ridge Community Development District No. 1 (the "District") and FMSbonds, Inc., relating to the sale by the District of \$[] aggregate principal amount of Special Assessment Bonds, Series 2019 (Assessment Area One), \$[] aggregate principal amount of Special Assessment Bonds, Series 2019A (Assessment Area Two) and \$[] aggregate principal amount of Special Assessment Bonds, Series 2019B (Assessment Area Two) (collectively, the "Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Contract or Preliminary Limited Offering Memorandum dated [] (the "Preliminary Limited Offering Memorandum") and the Limited Offering Memorandum dated [BPA Date] (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda"), as applicable.

2. The Engineer has been retained by the District as consulting engineers.

3. The plans and specifications for the Assessment Area One Project and Assessment Area Two Project (as described in the Limited Offering Memoranda) were approved by all regulatory bodies required to approve them. All environmental and other regulatory permits or approvals required in connection with the construction of the Projects were obtained.

4. The Engineer prepared the report entitled "Engineer's Report for Hunter's Ridge Community Development District No. 1, Flagler County, Florida, revised [October 30, 2018] (the "Report"). The Report was prepared in accordance with generally accepted engineering principles. The Report is included as "APPENDIX A - ENGINEER'S REPORT" to the Limited Offering Memoranda and a description of the Report and certain other information relating to the Projects are included in the Limited Offering Memoranda under the captions "THE ASSESSMENT AREA ONE PROJECT AND ASSESSMENT AREA TWO PROJECT" and "THE DEVELOPMENT." The Report and said information are true and complete in all material respects, contain no untrue statement of a material fact, and do not omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

5. The Engineer hereby consents to the inclusion of the Report as "APPENDIX A - ENGINEER'S REPORT" to the Limited Offering Memoranda and to the references to the Engineer in the Limited Offering Memoranda.

6. The completed Improvements are constructed in sound workmanlike manner and in accordance with industry standards.

7. The price being paid by the District to the Huntington Developer for acquisition of the improvements included within the Assessment Area One Project [and Assessment Area Two Project] does not exceed the lesser of the cost of the applicable improvement or the fair market value of the assets acquired by the District.

8. To the best of our knowledge, after due inquiry, the Developers are in compliance in all material respects with all provisions of applicable law in all material matters relating to the Developers and the Development as described in the Limited Offering Memoranda. Except as otherwise described in the Limited Offering Memoranda, (a) all government permits required in connection with the construction of the Development as described in the Limited Offering Memoranda have been received, (b) we are not aware of any default of any zoning condition, land use permit or development agreement which would adversely affect the ability to complete development of the Development as described in the Limited Offering Memoranda and all appendices thereto, and (c) we have no actual knowledge and are not otherwise aware of any reason to believe that any permits, consents and licenses required to complete the Development as described in the Limited Offering Memoranda will not be obtained in due course as required by the Developers, or any other person or entity, necessary for the development of the Development as described in the Limited Offering Memoranda and all appendices thereto.

9. There is adequate water and sewer service capacity to serve the Development within the District.

IN WITNESS WHEREOF, I have set my hand this [__] day of [_____], 2019.

ZEV COHEN & ASSOCIATES, INC.

By: _____
Name: _____
Title: _____

EXHIBIT I

**FORM OF CERTIFICATE OF
DISTRICT MANAGER, ASSESSMENT CONSULTANT AND DISSEMINATION AGENT**

WRATHELL, HUNT & ASSOCIATES, LLC ("WHA"), DOES HEREBY CERTIFY:

1. This certificate is furnished pursuant to Section 8(c)(20) of the Bond Purchase Contract dated [BPA Date] (the "Purchase Contract"), between Hunter's Ridge Community Development District No. 1 (the "District") and FMSbonds, Inc., relating to the sale by the District of \$[] aggregate principal amount of Special Assessment Bonds, Series 2019 (Assessment Area One), \$[] aggregate principal amount of Special Assessment Bonds, Series 2019A (Assessment Area Two) and \$[] aggregate principal amount of Special Assessment Bonds, Series 2019B (Assessment Area Two) (collectively, the "Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Contract or the Limited Offering Memoranda (hereinafter defined), as applicable.

2. WHA has acted as District Manager and Assessment Consultant to the District in connection with the sale and issuance by the District of the Bonds and has participated in the preparation of the Preliminary Limited Offering Memorandum dated [] (the "Preliminary Limited Offering Memorandum") and the Limited Offering Memorandum dated [BPA Date] (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda").

3. In connection with the issuance of the Bonds, we have been retained by the District to prepare the Preliminary Master Special Assessment Methodology Report, dated May 21, 2014, as amended by the First Addendum to Master Special Assessment Methodology Report, dated [], including the special assessment tax roll included as part thereof (collectively, the "Assessment Report"), which Assessment Report has been included as an appendix to the Limited Offering Memoranda. We hereby consent to the use of such Assessment Report in the Limited Offering Memoranda and consent to the references to us therein, and the Assessment Report was prepared in accordance with Florida law governing the imposition of governmental special assessments.

4. As District Manager, nothing has come to our attention that would lead us to believe that the Limited Offering Memoranda, as they relate to the District, the Projects, or any information provided by us, and the Assessment 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 therein, in light of the circumstances under which they were made, not misleading.

5. The information set forth in the Limited Offering Memoranda under the captions "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2019 BONDS - Enforcement and Collection of Series 2019 Special Assessments," "THE DISTRICT - District Manager and Other Consultants," "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS," "LITIGATION - The District," "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS," "CONTINUING DISCLOSURE" and in "APPENDIX B - METHODOLOGY REPORT," did not as of the dates of the Limited Offering Memoranda and does not as of the date hereof contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

6. To the best of our knowledge, there has been no change which would materially adversely affect the assumptions made or the conclusions reached in the Assessment Report and the considerations and assumptions used in compiling the Assessment Report are reasonable. The Assessment Report and the assessment methodology set forth therein were prepared in accordance with all applicable provisions of Florida law.

7. As District Manager for the District, 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 Bonds, or in any way contesting or affecting the validity of the 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 Bonds, or the existence or powers of the District.

8. The Series 2019 Special 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 2019 Special Assessments, are sufficient to enable the District to pay the debt service on the Bonds through the final maturity thereof. The Series 2019 Special Assessments provide a special benefit to the properties assessed and the Series 2019 Special Assessments are fairly and reasonably allocated to the properties assessed.

9. WHA has agreed to serve as dissemination agent for the District with respect to the Bonds and to undertake the obligations of the dissemination agent as set forth in the Disclosure Agreements. WHA, as dissemination agent, is aware of the continuing disclosure requirements set forth in the Disclosure Agreements and Rule 15c2-12 (the "Rule") and has policies and procedures in place to ensure its compliance with its obligations under the Disclosure Agreements and the Rule. WHA agrees to comply with the District's continuing disclosure undertakings entered into pursuant to the Rule at all times in the future.

IN WITNESS WHEREOF, I have set my hands this [__] day of [_____], 2019.

WRATHELL, HUNT & ASSOCIATES, LLC

By: _____
Name: _____
Title: _____

EXHIBIT J

FORM OF ISSUE PRICE CERTIFICATE

HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1

\$[_____]	\$[_____]	\$[_____]
Special Assessment Bonds, Series 2019 (Assessment Area One)	Special Assessment Bonds, Series 2019A (Assessment Area Two)	Special Assessment Bonds, Series 2019B (Assessment Area Two)

The undersigned, on behalf of FMSbonds, Inc. (the "Underwriter"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds"). Capitalized terms shall have the meaning ascribed in Section 2 hereof.

The Underwriter and the District entered into a Bond Purchase Contract on the Sale Date in connection with the sale of the Bonds (the "Purchase Contract"). Pursuant to the terms of the Purchase Contract, the Underwriter made a bona fide limited offering of the Bonds to a portion of the Public representing accredited investors as required by Florida law at the prices or yields for each such maturity as shown on the cover page of the Limited Offering Memorandum, dated [BPA Date], relating to the Bonds.

1. Sale of the Bonds. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. Defined Terms.

(a) *District* means Hunter's Ridge Community Development District No. 1.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Statutory Underwriter or a related party to a Statutory Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [BPA Date].

(e) *Statutory Underwriter* means (i) any person that agrees pursuant to a written contract with the District to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

3. Reserve Accounts. Debt Service Reserve Accounts in amounts equal to the respective Debt Service Reserve Requirements were necessary in order to market and sell the Bonds given the nature of the Bonds which are secured by special assessments and the delinquent assessment collection procedures related thereto.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Arbitrage Certificate executed by the District in connection with the issuance, sale and delivery of the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Bonds.

FMSBONDS, INC.

By: _____
Theodore A. Swinarski,
Senior Vice President – Municipal Trading

Dated: [Closing Date]

SCHEDULE A-1

SALE PRICES

(Attached)

FORM 8038G STATISTICS

(Attached)

**HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1**

12C

NEW ISSUE - BOOK-ENTRY ONLY

NOT RATED

In the opinion of Bond Counsel, assuming compliance by the District with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series 2019 Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax. However, interest on the Series 2019 Bonds shall be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations for taxable years that begin prior to January 1, 2018. The alternative minimum tax on corporations was repealed for taxable years beginning on and after January 1, 2018. See "TAX MATTERS" herein for a description of other tax consequences to holders of the Series 2019 Bonds.

**HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1
(Flagler County, Florida)**

\$2,420,000* Special Assessment Bonds, Series 2019 (Assessment Area One)	\$3,585,000* Special Assessment Bonds, Series 2019A (Assessment Area Two)	\$1,765,000* Special Assessment Bonds, Series 2019B (Assessment Area Two)
---	--	--

Dated: Date of original issuance

Due: May 1, as shown on the inside cover

Hunter's Ridge Community Development District No. 1 (the "District") is issuing its \$2,420,000* Special Assessment Bonds, Series 2019 (Assessment Area One) (the "Series 2019 Area One Bonds"), its \$3,585,000* Special Assessment Bonds, Series 2019A (Assessment Area Two) (the "Series 2019A Area Two Bonds") and its \$1,765,000 Special Assessment Bonds, Series 2019B (Assessment Area Two) (the "Series 2019B Area Two Bonds" and together with the Series 2019A Area Two Bonds, the "Series 2019 Area Two Bonds" and collectively with the Series 2019 Area One Bonds, the "Series 2019 Bonds"), pursuant to a Master Trust Indenture dated as of January 1, 2019 (the "Master Indenture"), from the District to U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by a First Supplemental Trust Indenture, dated as of January 1, 2019, with respect to the Series 2019 Area One Bonds (the "First Supplemental Indenture" and together with the Master Indenture, the "First Supplement"), a Second Supplemental Trust Indenture, dated as of January 1, 2019, with respect to the Series 2019A Area Two Bonds (the "Second Supplemental Indenture" and together with the Master Indenture, the "Second Supplement"), and a Third Supplemental Trust Indenture, dated as of January 1, 2019, with respect to the Series 2019B Area Two Bonds (the "Third Supplemental Indenture" and together with the Master Indenture, the "Third Supplement" and collectively with the First Supplement and Second Supplement, the "Indenture") each between the District and the Trustee.

The Series 2019 Bonds are being issued only in fully registered form, in denominations of \$5,000 and integral multiples thereof; provided however, if any initial beneficial owner does not purchase at least \$100,000 of the Series 2019 Bonds at the time of initial delivery of the Series 2019 Bonds, such beneficial owner must execute and deliver to the Underwriter on the date of delivery of the Series 2019 Bonds an investor letter, or otherwise establish to the satisfaction of the Underwriter that such beneficial owner is an "accredited investor," as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended. The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, any successor statute thereto, the Florida Constitution, and other applicable provisions of law (collectively, the "Act") and Ordinance No. 2014-01 adopted by the Board of County Commissioners of Flagler County, Florida (the "County") on April 21, 2014. The Series 2019 Bonds are payable from and secured by the applicable Pledged Revenues (as defined herein). The Pledged Revenues consist primarily of the revenues derived by the District from non-ad valorem special assessments levied against certain lands within the Development (as described in more detail under the heading "THE DEVELOPMENT" herein). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2019 BONDS" herein.

The Series 2019 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 2019 Bonds will be made in book-entry only form. Accordingly, principal of and interest on the Series 2019 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 2019 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 2019 Bond. See "DESCRIPTION OF THE SERIES 2019 BONDS - Book-Entry Only System" herein. The Series 2019 Bonds will bear interest at the fixed rates set forth below, calculated on the basis of a 360-day year comprised of twelve thirty-day months. Interest on the Series 2019 Bonds is payable semi-annually on each May 1 and November 1, commencing May 1, 2019.

The Series 2019 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. See "DESCRIPTION OF THE SERIES 2019 BONDS - Redemption Provisions" herein.

Proceeds of the Series 2019 Area One Bonds will be applied to (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Series 2019 Area One Project (as defined herein), (ii) pay certain costs associated with the issuance of the Series 2019 Area One Bonds, (iii) make a deposit into the Series 2019 Area One Debt Service Reserve Account which account will be held for the benefit of all of the Series 2019 Area One Bonds, without privilege or priority of one Series 2019 Area One Bond over another, and (iv) pay the interest to become due on the Series 2019 Area One Bonds through [_____].

Proceeds of the Series 2019A Area Two Bonds will be applied to (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Series 2019 Area Two Project (as defined herein), (ii) pay certain costs

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Limited Offering Memorandum is delivered in final form. 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 these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

associated with the issuance of the Series 2019A Area Two Bonds, (iii) make a deposit into the Series 2019A Area Two Debt Service Reserve Account which account will be held for the benefit of all of the Series 2019A Area Two Bonds, without privilege or priority of one Series 2019A Area Two Bond over another, and (iv) pay the interest to become due on the Series 2019A Area Two Bonds through [_____].

Proceeds of the Series 2019B Area Two Bonds will be applied to (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Series 2019 Area Two Project, (ii) pay certain costs associated with the issuance of the Series 2019B Area Two Bonds, (iii) make a deposit into the Series 2019B Area Two Debt Service Reserve Account which account will be held for the benefit of all of the Series 2019B Area Two Bonds, without privilege or priority of one Series 2019B Area Two Bond over another, and (iv) pay the interest to become due on the Series 2019B Area Two Bonds through [_____].

THE SERIES 2019 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE RESPECTIVE PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE COUNTY, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2019 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION THE APPLICABLE SERIES 2019 SPECIAL ASSESSMENTS (AS DEFINED HEREIN) TO SECURE AND PAY THE APPLICABLE SERIES OF SERIES 2019 BONDS. THE SERIES 2019 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE COUNTY, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

THE SERIES 2019 BONDS INVOLVE A DEGREE OF RISK (SEE "BONDOWNERS' RISKS" HEREIN) AND ARE NOT SUITABLE FOR ALL INVESTORS (SEE "SUITABILITY FOR INVESTMENT" HEREIN). THE UNDERWRITER IS LIMITING THE OFFERING OF THE SERIES 2019 BONDS TO ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. HOWEVER, THE LIMITATION OF THE INITIAL OFFERING OF SERIES 2019 BONDS TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFER IN ANY SECONDARY MARKET FOR THE SERIES 2019 BONDS. THE SERIES 2019 BONDS ARE NOT CREDIT ENHANCED AND ARE NOT RATED AND NO APPLICATION HAS BEEN MADE FOR A RATING WITH RESPECT TO THE SERIES 2019 BONDS, NOR IS THERE ANY REASON TO BELIEVE THAT THE DISTRICT WOULD HAVE BEEN SUCCESSFUL IN OBTAINING A RATING FOR THE SERIES 2019 BONDS HAD APPLICATION BEEN MADE.

This cover page contains information for quick reference only. It is not, and is not intended to be, a summary of the Series 2019 Bonds. Investors must read the entire Limited Offering Memorandum, including the appendices attached hereto, to obtain information essential to the making of an informed investment decision.

**PRINCIPAL AMOUNTS, INTEREST RATES, MATURITY DATES,
YIELDS, PRICES AND INITIAL CUSIP NUMBERS[†]**

\$ _____ % Term Series 2019 Area One Bond Due May 1, 20__ Yield ___ % Price ___ CUSIP No. _____
\$ _____ % Term Series 2019A Area Two Bond Due May 1, 20__ Yield ___ % Price ___ CUSIP No. _____
\$ _____ % Term Series 2019B Area Two Bond Due May 1, 20__ Yield ___ % Price ___ CUSIP No. _____

The Series 2019 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 Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, as to the validity of the Series 2019 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, Cobb Cole, P.A., Deland, Florida, for the Huntington Developer by its counsel, Cobb Cole, P.A., Deland, Florida, [for the Deerfield Developer by its counsel, _____, _____], for the Trustee by its counsel, Holland & Knight LLP, Miami, Florida and for the Underwriter by its counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida. It is expected that the Series 2019 Bonds will be available for delivery through The Depository Trust Company in New York, New York on or about _____, 2019.

FMSbonds, Inc.

Dated: _____, 20__

* Preliminary, subject to change.

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

HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1

BOARD OF SUPERVISORS*

Howard Lefkowitz†, Chair
Charles Lichtigman, Vice Chair
Steve Thompson, Assistant Secretary
Patricia Hall, Assistant Secretary

DISTRICT MANAGER/ASSESSMENT CONSULTANT

Wrathell, Hunt & Associates, LLC
Boca Raton, Florida

DISTRICT COUNSEL

Cobb Cole, P.A.
Deland, Florida

DISTRICT ENGINEER

Zev Cohen & Associates, Inc.
Ormond Beach, Florida

BOND COUNSEL

Bryant Miller Olive P.A.
Orlando, Florida

UNDERWRITER'S COUNSEL

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

* There is one vacancy on the Board of Supervisors

† Affiliated with the Developers or one of their affiliates

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 2019 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 District Engineer, the Assessment Consultant, the Developers 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 District Engineer, the District Manager, the Assessment Consultant and the Developers will all, 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 over-allot or effect transactions that stabilize or maintain the market price of the Series 2019 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Series 2019 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 2019 Bonds in accordance with the applicable securities law provisions of any jurisdictions wherein these securities have been or will be registered, qualified or exempted should not be regarded as a recommendation thereof. Neither the District, Flagler County, Florida, the State of Florida, nor any of its subdivisions or agencies have guaranteed or passed upon the merits of the Series 2019 Bonds, upon the probability of any earnings thereon or upon the accuracy or adequacy of this Limited Offering Memorandum.

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Exchange Act of 1934, as amended, and Section 27A of the Securities Act. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "anticipate," "budget" or other similar words. 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 does 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.

The order and placement of materials in this Limited Offering Memorandum, including the appendices, are not to be deemed a determination of relevance, materiality or importance, and this Limited Offering Memorandum, including the appendices, must be considered in its entirety. The captions and headings in this Limited Offering Memorandum are for convenience of reference only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections in this Limited Offering Memorandum.

This Limited Offering Memorandum is being provided to prospective purchasers either in bound printed form ("Original Bound Format") or in electronic format on the following websites: www.munios.com and www.emma.msrb.org. This Limited Offering Memorandum may be relied upon only if it is in its Original Bound Format or as printed in its entirety directly from such websites.

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.

This Preliminary Limited Offering Memorandum is in a form deemed final by the District for purposes of Rule 15c2-12 issued under the Securities Exchange Act of 1934, as amended, except for certain information permitted to be omitted pursuant to Rule 15c2-12(b)(1).

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APPENDIX A	Engineer's Report
APPENDIX B	Methodology Report
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APPENDIX D	Form of Opinion of Bond Counsel
APPENDIX E	Forms of Continuing Disclosure Agreements
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LIMITED OFFERING MEMORANDUM

relating to

**HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1
(Flagler County, Florida)**

\$2,420,000*	\$3,585,000*	\$1,765,000*
Special Assessment Bonds, Series 2019 (Assessment Area One)	Special Assessment Bonds, Series 2019A (Assessment Area Two)	Special Assessment Bonds, Series 2019B (Assessment Area Two)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices attached hereto, is to set forth certain information concerning the Hunter's Ridge Community Development District No. 1 (the "District") in connection with the offering and issuance by the District of its \$2,420,000* Special Assessment Bonds, Series 2019 (Assessment Area One) (the "Series 2019 Area One Bonds"), its \$3,585,000* Special Assessment Bonds, Series 2019A (Assessment Area Two) (the "Series 2019A Area Two Bonds") and its \$1,765,000* Special Assessment Bonds, Series 2019B (the "Series 2019B Area Two Bonds" and together with the Series 2019A Area Two Bonds, the "Series 2019 Area Two Bonds" and collectively with the Series 2019 Area One Bonds, the "Series 2019 Bonds").

THE SERIES 2019 BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. PURSUANT TO APPLICABLE STATE LAW, THE UNDERWRITER IS LIMITING THIS INITIAL OFFERING OF THE SERIES 2019 BONDS TO ONLY ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. THE LIMITATION OF THE INITIAL OFFERING TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFER IN ANY SECONDARY MARKET FOR THE SERIES 2019 BONDS. POTENTIAL INVESTORS ARE SOLELY RESPONSIBLE FOR EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE SERIES 2019 BONDS. SEE "BONDOWNERS' RISKS" AND "SUITABILITY FOR INVESTMENT" HEREIN. OTHER THAN AS REFERENCED IN THE SECTION CAPTIONED "SUITABILITY FOR INVESTMENT" HEREIN, NO PERSON HAS BEEN AUTHORIZED BY THE DISTRICT 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.

The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, any successor statute thereto, the Florida Constitution, and other applicable provisions of law (collectively, the "Act") and Ordinance No. 2014-01, adopted by the Board of County Commissioners of Flagler County, Florida on April 21, 2014 (the "Ordinance"). See "THE DISTRICT" herein.

* Preliminary, subject to change

The boundaries of the District include approximately 214.95 acres of land (the "District Lands") located within an area of unincorporated southern Flagler County, Florida (the "County"), adjacent to the City of Ormond Beach (the "City") in Volusia County, Florida. The Developers (hereinafter defined) intend to develop the District Lands in multiple parcels into approximately 154 single family attached units and [186] single family detached units. The District Lands are part of the larger Hunter's Ridge Development of Regional Impact (the "Hunter's Ridge DRI"), which encompasses over 5,000 acres within both the County and the City. The lands within the County portion of the Hunter's Ridge DRI, including the District Lands, are referred to herein as the "Master Development." The portion of the Master Development located within the District comprised of the District Lands is referred to herein as the "Development." See "THE DEVELOPMENT" herein for more information and a summary of the current development status of the Development and certain portions of the Master Development.

The Series 2019 Bonds are being issued pursuant to the Act, a Master Trust Indenture dated as of January 1, 2019 (the "Master Indenture"), from the District to U.S. Bank National Association, as trustee (the "Trustee") as supplemented by a First Supplemental Trust Indenture, dated as of January 1, 2019, with respect to the Series 2019 Area One Bonds (the "First Supplemental Indenture" and together with the Master Indenture, the "First Supplement"), a Second Supplemental Trust Indenture, dated as of January 1, 2019, with respect to the Series 2019A Area Two Bonds (the "Second Supplemental Indenture" and together with the Master Indenture, the "Second Supplement") and a Third Supplemental Trust Indenture, dated as of January 1, 2019, with respect to the Series 2019B Area Two Bonds (the "Third Supplemental Indenture" and together with the Master Indenture, the "Third Supplement" and collectively with the First Supplement and Second Supplement, the "Indenture") each between the District and the Trustee and resolutions adopted by the Board of Supervisors of the District on July 18, 2014 and [December 5], 2018, authorizing the issuance of the Series 2019 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 Indenture which appears in composite APPENDIX C attached hereto.

Proceeds of the Series 2019 Area One Bonds will be applied to (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Series 2019 Area One Project (as defined herein), (ii) pay certain costs associated with the issuance of the Series 2019 Area One Bonds, (iii) make a deposit into the Series 2019 Area One Debt Service Reserve Account which account will be held for the benefit of all of the Series 2019 Area One Bonds, without privilege or priority of one Series 2019 Area One Bond over another, and (iv) pay the interest to become due on the Series 2019 Area One Bonds through [_____].

Proceeds of the Series 2019A Area Two Bonds will be applied to (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Series 2019 Area Two Project (as defined herein), (ii) pay certain costs associated with the issuance of the Series 2019A Area Two Bonds, (iii) make a deposit into the Series 2019A Area Two Debt Service Reserve Account which account will be held for the benefit of all of the Series 2019A Area Two Bonds, without privilege or priority of one Series 2019A Area Two Bond over another, and (iv) pay the interest to become due on the Series 2019A Area Two Bonds through [_____].

Proceeds of the Series 2019B Area Two Bonds will be applied to (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Series 2019 Area Two Project, (ii) pay certain costs associated with the issuance of the Series

2019B Area Two Bonds, (iii) make a deposit into the Series 2019B Area Two Debt Service Reserve Account which account will be held for the benefit of all of the Series 2019B Area Two Bonds, without privilege or priority of one Series 2019B Area Two Bond over another, and (iv) pay the interest to become due on the Series 2019B Area Two Bonds through [_____].

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 within the Development. For a complete discussion of the Development, see "THE DEVELOPMENT" and "THE SERIES 2019 AREA ONE PROJECT AND SERIES 2019 AREA TWO PROJECT" herein. 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, district roads, recreational facilities and other basic infrastructure projects within or without the boundaries of the District, all as provided in the Act.

Under the Constitution and laws of the State of Florida (the "State"), including the Act, the District has the power and authority to levy non-ad valorem assessments upon the District Lands and to issue the Series 2019 Bonds for the purposes of providing community development services and facilities, including those financed with the proceeds of the Series 2019 Bonds as described herein.

The Series 2019 Area One Bonds are payable from and secured by Pledged Revenues (herein, the "Series 2019 Area One Pledged Revenues"), which is defined in the First Supplemental Indenture as (a) all revenues received by the District from the Series 2019 Area One Special Assessments levied and collected on that portion of the District Lands benefited by the Series 2019 Area One Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2019 Area One Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2019 Area One Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the First Supplement; provided, however, that Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) "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 (it being expressly understood that the lien and pledge of the First Supplement shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso).

"Series 2019 Area One Special Assessments" is defined in the First Supplemental Indenture as the Special Assessments levied on that portion of the District Lands specially benefitted by the Series 2019 Area One Project or any portion thereof, which assessments correspond in amount to the debt service on the Series 2019 Area One Bonds.

"Special Assessments" is defined in the Master Indenture as (a) the net proceeds derived from the levy and collection of "special assessments," as provided for in Sections 190.011(14) and 190.022 of the Act (except for any such special assessments levied and collected for maintenance purposes), against the District Lands that are subject to assessment as a result of a particular Project or any portion thereof, and (b) the net proceeds derived from the levy and collection of "benefit special assessments," as provided for in Section 190.021(2) of the Act, against the District Lands that are subject to assessment as a result of a particular Project or any portion

thereof, and in the case of both "special assessments" and "benefit special assessments," including the interest and penalties on such assessments, pursuant to all applicable provisions of the Act and Chapter 170, Florida Statutes, and Chapter 197, Florida Statutes (and any successor statutes thereto), including, without limitation, any amount received from any foreclosure proceeding for the enforcement of collection of such assessments or from the issuance and sale of tax certificates with respect to such assessments, less (to the extent applicable) the fees and costs of collection thereof payable to the Tax Collector and less certain administrative costs payable to the Property Appraiser pursuant to the Property Appraiser and Tax Collector Agreement. "Special Assessments" shall not include "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act.

The Series 2019 Area One Special Assessments represent an allocation of a portion of the costs of the Series 2019 Area One Project, including bond financing costs, to the District Lands benefiting from the Series 2019 Area One Project ("Assessment Area One") in accordance with the Methodology Report (hereinafter defined).

The Series 2019A Area Two Bonds are payable from and secured by Pledged Revenues (herein, the "Series 2019A Area Two Pledged Revenues"), which is defined in the Second Supplemental Indenture as (a) all revenues received by the District from the Series 2019A Area Two Special Assessments levied and collected on that portion of the District Lands benefited by the Series 2019 Area Two Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2019A Area Two Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2019A Area Two Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Second Supplement; provided, however, that the Series 2019 Area Two Acquisition and Construction Account shall be held jointly for the benefit of all of the Series 2019 Area Two Bonds without privilege or priority of one such Series over another; and provided further, however, that Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) "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 (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso).

"Series 2019A Area Two Special Assessments" is defined in the Second Supplemental Indenture as the Special Assessments levied on that portion of the District Lands specially benefitted by the Series 2019 Area Two Project or any portion thereof, which assessments correspond in amount to the debt service on the Series 2019A Area Two Bonds.

The Series 2019A Area Two Special Assessments represent an allocation of a portion of the costs of the Series 2019 Area Two Project, including bond financing costs, to the District Lands benefiting from the Series 2019 Area Two Project ("Assessment Area Two") in accordance with the Methodology Report.

The Series 2019B Area Two Bonds are payable from and secured by Pledged Revenues (herein, the "Series 2019B Area Two Pledged Revenues"), which is defined in the Third Supplemental Indenture as (a) all revenues received by the District from the Series 2019B Area Two Special Assessments levied and collected on that portion of the District Lands benefited by the Series 2019 Area Two Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2019B Area Two Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2019B

Area Two Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Third Supplement; provided, however, that the Series 2019 Area Two Acquisition and Construction Account shall be held jointly for the benefit of all of the Series 2019 Area Two Bonds without privilege or priority of one such Series over another; and provided further, however, that Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) "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 (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso).

"Series 2019B Area Two Special Assessments" is defined in the Third Supplemental Indenture as the Special Assessments levied on that portion of the District Lands specially benefitted by the Series 2019 Area Two Project or any portion thereof, which assessments correspond in amount to the debt service on the Series 2019B Area Two Bonds.

The Series 2019B Area Two Special Assessments represent an allocation of a portion of the costs of the Series 2019 Area Two Project, including bond financing costs, to Assessment Area Two in accordance with the Methodology Report.

The Series 2019A Area Two Special Assessments and the Series 2019B Area Two Special Assessments are referred to herein collectively as the "Series 2019 Area Two Special Assessments." The Series 2019 Area One Special Assessments and the Series 2019 Area Two Special Assessments are referred to herein collectively as the "Series 2019 Special Assessments."

The Methodology Report and assessment resolutions with respect to the Series 2019 Bonds (the "Assessment Proceedings") permit the prepayment in part or in full of the Series 2019 Special Assessments at any time without penalty. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein.

Subsequent to the issuance of the Series 2019 Bonds, the District may cause one or more Series of Bonds to be issued pursuant to the Master Indenture, subject to the terms and conditions thereof. Bonds may be issued for the purpose of financing the Cost of acquisition or construction of a Project, to refund all or a portion of a Series of Bonds or for the completion of a Project.

The District covenants and agrees in the First Supplemental Indenture that so long as there are any Series 2019 Area One Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Series 2019 Area One Pledged Revenues, except for refunding bonds. The District further covenants and agrees in the First Supplemental Indenture that so long as the Series 2019 Area One Special Assessments have not been Substantially Absorbed, it shall not issue any Bonds secured by Special Assessments for capital projects on lands subject at such time to the Series 2019 Area One Special Assessments without the consent of the Majority Owners of the Series 2019 Area One Bonds; provided, however, that the foregoing shall not preclude the imposition of Special Assessments for capital projects necessary for health, safety, and welfare reasons, to remediate a natural disaster, or imposed prior to the issuance of the Series 2019 Area One Bonds. Notwithstanding the foregoing, the District covenants and agrees in the First Supplemental Indenture that it shall not issue any Bonds secured by Special Assessments for capital projects if there shall be occurred and be continuing any Event of Default with respect to any Series of Bonds issued under the Master

Indenture. "Substantially Absorbed" is defined in the First Supplemental Indenture to mean the date on which a principal amount of the Series 2019 Area One Special Assessments equaling at least ninety percent (90%) of the then Outstanding principal amount of the Series 2019 Area One Bonds are levied on Assessment Area One with respect to which a certificate of occupancy has been issued for a structure thereon.

The District covenants and agrees in the Second Supplemental Indenture that so long as there are any Series 2019A Area Two Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Series 2019A Area Two Pledged Revenues, except for refunding bonds. The District further covenants and agrees in the Second Supplemental Indenture that so long as the Series 2019A Area Two Special Assessments have not been Substantially Absorbed and the Series 2019B Area Two Bonds are Outstanding, it shall not issue any Bonds secured by Special Assessments for capital projects on lands subject at such time to the Series 2019A Area Two Special Assessments without the consent of the Majority Owners of the Series 2019A Area Two Bonds; provided, however, that the foregoing shall not preclude the imposition of Special Assessments for capital projects necessary for health, safety, and welfare reasons, to remediate a natural disaster, or imposed prior to the issuance of the Series 2019A Area Two Bonds. Notwithstanding the foregoing, the District covenants and agrees in the Second Supplemental Indenture that it shall not issue any Bonds secured by Special Assessments for capital projects if there shall be occurred and be continuing any Event of Default with respect to any Series of Bonds issued under the Master Indenture. "Substantially Absorbed" is defined in the Second Supplemental Indenture to mean the date on which a principal amount of the Series 2019A Area Two Special Assessments equaling at least one hundred percent (100%) of the then Outstanding principal amount of the Series 2019A Area Two Bonds are levied on Assessment Area Two with respect to which a certificate of occupancy has been issued for a structure thereon. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2019 BONDS," herein.

There follows in this Limited Offering Memorandum a brief description of the District, together with summaries of the terms of the Series 2019 Bonds, the Indenture, the Development, and certain provisions of the Act. All references herein to the Indenture and the Act are qualified in their entirety by reference to such documents and all references to the Series 2019 Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture, the forms of which appear as composite APPENDIX C attached hereto.

SUITABILITY FOR INVESTMENT

In accordance with applicable provisions of Florida law, the Series 2019 Bonds may initially be sold by the District only to "accredited investors" within the meaning of Chapter 517, Florida Statutes and the rules promulgated thereunder. The limitation of the initial offering to accredited investors does not denote restrictions on transfer in any secondary market for the Series 2019 Bonds. Investment in the Series 2019 Bonds poses certain economic risks. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum. Additional information will be made available to each prospective investor, including the benefit of a site visit to the District, and the opportunity to ask questions of the Huntington Developer and/or the Deerfield Developer, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Series 2019 Bonds. Prospective investors are encouraged to request such additional

information, visit the District and ask such questions. Such requests should be directed to the Underwriter at: FMSbonds, Inc., 20660 W. Dixie Highway, North Miami Beach, Florida 33180.

DESCRIPTION OF THE SERIES 2019 BONDS

General Description

The Series 2019 Bonds are issuable as fully registered bonds, without coupons, in denominations of \$5,000 or any multiple thereof; provided however, if any initial beneficial owner does not purchase at least \$100,000 of the Series 2019 Bonds at the time of initial delivery of the Series 2019 Bonds, such beneficial owner must execute and deliver to the Underwriter on the date of delivery of the Series 2019 Bonds an investor letter, or otherwise establish to the satisfaction of the Underwriter that such beneficial owner is an "accredited investor," as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended.

The Series 2019 Bonds will be dated their date of issuance and delivery to the initial purchasers thereof and will bear interest payable on each May 1 and November 1, commencing May 1, 2019 (each, an "Interest Payment Date") and shall be computed on the basis of a 360-day year of twelve 30-day months. The Series 2019 Bonds will mature on May 1 of such years, in such amounts and at such rates as set forth on the cover page of this Limited Offering Memorandum.

Except as otherwise provided in the Indenture in connection with a book-entry only system of registration of the Series 2019 Bonds, the principal or Redemption Price of the Series 2019 Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent upon presentation of such Series 2019 Bonds. Except as otherwise provided in the Indenture in connection with a book-entry only system of registration of the Series 2019 Bonds, the payment of interest on the Series 2019 Bonds shall be made on each Interest Payment Date to the Owners of the Series 2019 Bonds by check or draft drawn on the Paying Agent and mailed on the applicable Interest Payment Date to each Owner as such Owner appears on the Bond Register maintained by the Registrar as of the close of business on the Regular Record Date, at his address as it appears on the Bond Register. Any interest on any Series 2019 Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Series 2019 Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to such mailing, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, any Owner of Series 2019 Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date.

The Series 2019 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 2019 Bonds and, so long as the Series 2019 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

Optional Redemption. The Series 2019 Area One Bonds may, at the option of the District in writing, be called for redemption prior to maturity in whole, on any date, or in part on any Redemption Date, on or after May 1, 2030 (less than all Series 2019 Area One Bonds to be specified by the District in writing), at a Redemption Price equal to 100% of the principal amount of the Series 2019 Area One Bonds to be redeemed plus accrued interest from the most recent Interest Payment Date to the date of redemption.

The Series 2019A Area Two Bonds may, at the option of the District in writing, be called for redemption prior to maturity in whole, on any date, or in part on any Redemption Date, on or after May 1, 2035 (less than all Series 2019A Area Two Bonds to be specified by the District in writing), at a Redemption Price equal to 100% of the principal amount of the Series 2019A Area Two Bonds to be redeemed plus accrued interest from the most recent Interest Payment Date to the date of redemption.

The Series 2019B Area Two Bonds are not subject to redemption at the option of the District.

Mandatory Sinking Fund Redemption. The Series 2019 Area One Bond maturing on May 1, 20___, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2019 Area One Sinking Fund Account established under the First Supplement in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% 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>(May 1)</u>	<u>Sinking Fund</u> <u>Installment</u>	<u>Year</u> <u>(May 1)</u>	<u>Sinking Fund</u> <u>Installment</u>
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*Final Maturity

The Series 2019A Area Two Bond maturing on May 1, 20___, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2019A Area Two Sinking Fund Account established under the Second Supplement in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% 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 (May 1)</u>	<u>Sinking Fund Installment</u>	<u>Year (May 1)</u>	<u>Sinking Fund Installment</u>
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*Final Maturity

The Series 2019B Area Two Bonds are not subject to mandatory redemption.

Extraordinary Mandatory Redemption. The Series 2019 Area One Bonds are subject to extraordinary mandatory redemption prior to maturity by the District, in whole, on any date, or in part, on any Redemption Date, [in the manner determined by the Bond Registrar] at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Series 2019 Area One Bonds to be redeemed, plus interest accrued to the date of redemption, as follows:

(i) from Series 2019 Area One Prepayments deposited into the Series 2019 Area One Prepayment Account of the Series 2019 Area One Bond Redemption Fund following the payment in whole or in part of Series 2019A Area One Special Assessments on any portion of Assessment Area One in accordance with the provisions of the First Supplemental Indenture.

(ii) on or after the Completion Date of the Series 2019 Area One Project, by application of moneys remaining in the Series 2019 Area One Acquisition and Construction Account of the Acquisition and Construction Fund not reserved by the District for the payment of any remaining part of the Cost of the Series 2019 Area One Project, which has been transferred as specified in the First Supplemental Indenture to the Series 2019 Area One General Account of the Series 2019 Area One Bond Redemption Fund, credited toward extinguishment of the Series 2019 Area One Special Assessments and applied toward the redemption of the Series 2019 Area One Bonds in accordance with the manner it has credited such excess moneys toward extinguishment of Series 2019 Area One Special Assessments which the District shall describe to the Trustee in writing.

(iii) from moneys, if any, on deposit in the Series 2019 Area One Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Outstanding Series 2019 Area One Bonds and accrued interest thereon to the date of redemption in addition to all amounts owed to Persons under the First Supplement.

The Series 2019A Area Two Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole, on any date, or in part, on any Redemption Date, [in the manner determined by the Bond Registrar] at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Series 2019A Area Two Bonds to be redeemed, plus interest accrued to the date of redemption, as follows:

(i) from Series 2019A Area Two Prepayments deposited into the Series 2019A Area Two Prepayment Account of the Series 2019A Area Two Bond Redemption Fund following the payment in whole or in part of Series 2019A Area Two Special Assessments on any portion of Assessment Area Two in accordance with the provisions of the Second Supplemental Indenture.

(ii) on or after the Completion Date of the Series 2019 Area Two Project, by application of moneys remaining in the Series 2019A Area Two Acquisition and Construction Account of the Acquisition and Construction Fund not reserved by the District for the payment of any remaining part of the Cost of the Series 2019 Area Two Project, which has been transferred as specified in the Second Supplemental Indenture to the Series 2019A Area Two General Account of the Series 2019A Area Two Bond Redemption Fund, credited toward extinguishment of the Series 2019A Area Two Special Assessments and applied toward the redemption of the Series 2019A Area Two Bonds in accordance with the manner it has credited such excess moneys toward extinguishment of Series 2019A Area Two Special Assessments which the District shall describe to the Trustee in writing.

(iii) from moneys, if any, on deposit in the Series 2019A Area Two Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Outstanding Series 2019A Area Two Bonds and accrued interest thereon to the date of redemption in addition to all amounts owed to Persons under the Second Supplement.

The Series 2019B Area Two Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole, on any date, or in part, on any Redemption Date, [in the manner determined by the Bond Registrar] at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Series 2019B Area Two Bonds to be redeemed, plus interest accrued to the date of redemption, as follows:

(i) from Series 2019B Area Two Prepayments deposited into the Series 2019B Area Two Prepayment Account of the Series 2019B Area Two Bond Redemption Fund following the payment in whole or in part of Series 2019B Area Two Special Assessments on any portion of Assessment Area Two in accordance with the provisions of the Third Supplemental Indenture.

(ii) on or after the Completion Date of the Series 2019 Area Two Project, by application of moneys remaining in the Series 2019 Area Two Acquisition and Construction Account of the Acquisition and Construction Fund not reserved by the District for the payment of any remaining part of the Cost of the Series 2019 Area Two Project, which has been transferred as specified in the Third Supplemental Indenture to the Series 2019B Area Two General Account of the Series 2019B Area Two Bond Redemption Fund, credited toward extinguishment of the Series 2019B Area Two Special Assessments and applied toward the redemption of the Series 2019B Area Two Bonds in accordance with the manner it has credited such excess moneys toward extinguishment of Series 2019B Area Two Special Assessments which the District shall describe to the Trustee in writing.

(iii) from moneys, if any, on deposit in the Series 2019B Area Two Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Outstanding Series 2019B Area Two Bonds and accrued interest thereon to the date of redemption in addition to all amounts owed to Persons under the Third Supplement.

The Master Indenture provides that, except to the extent otherwise provided in a Supplemental Indenture, if less than all of a Series of Bonds of a maturity are to be redeemed, the Trustee shall select the particular Bonds or portions of the Bonds to be called for redemption by lot in such reasonable manner as the Trustee in its discretion may determine. In the case of any partial optional redemption of Bonds of a Series, such redemption shall be

effectuated by redeeming Bonds of such Series of such maturities in such manner as shall be specified by the District in writing. In the case of any partial extraordinary mandatory redemption of Bonds of a Series, such redemption shall be effectuated by redeeming Bonds of such Series pro rata among the maturities, treating each date on which a Sinking Fund Installment is due as a separate maturity for such purpose, with the portion to be redeemed from each maturity being equal to the product of the aggregate principal amount of Bonds of such Series to be redeemed multiplied times a fraction the numerator of which is the principal amount of the Series of Bonds of such maturity outstanding immediately prior to the redemption date and the denominator of which is the aggregate principal amount of all Bonds of such Series outstanding immediately prior to the redemption date.

Notice of Redemption

When required to redeem or purchase Bonds of a Series under any provision of the Indenture or directed to do so by the District, the Trustee shall cause notice of the redemption, either in whole or in part, to be given by Electronic Means or mailed at least thirty (30) but not more than sixty (60) days prior to the redemption or purchase date to all Owners of Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the fifth (5th) day prior to such mailing), at their registered addresses and also to any Credit Facility Issuer, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption or purchase of the Bonds of such Series for which notice was duly mailed in accordance with the Master Indenture. Such notice shall be given in the name of the District, shall be dated, shall set forth the Bonds of such Series Outstanding which shall be called for redemption or purchase and shall include, without limitation, the following additional information:

- (a) the redemption or purchase date;
- (b) the redemption or purchase price;
- (c) CUSIP numbers, to the extent applicable, and any other distinctive numbers and letters;
- (d) if less than all Outstanding Bonds of a Series to be redeemed or purchased, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed or purchased;
- (e) that on the redemption or purchase date the redemption or purchase price will become due and payable upon surrender of each such Bond or portion thereof called for redemption or purchase, and that interest thereon shall cease to accrue from and after said date;
- (f) the place where such Bonds are to be surrendered for payment of the redemption or purchase price, which place of payment shall be a corporate trust office of the Trustee; and
- (g) any condition or conditions to be met prior to the redemption of the Bonds of such Series, including, but not limited to receipt of funds sufficient to accomplish the redemption of the Bonds.

If at the time of mailing of notice of an optional redemption or purchase, the District shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem or purchase all the Bonds called for redemption or purchase, such notice shall state that it is subject to the deposit of the redemption or purchase moneys with the Trustee or Paying Agent, as the case may be, not later than the opening of business on the redemption or purchase date, and such notice shall be of no effect unless such moneys are so deposited.

No Acceleration

The Indenture does not permit the acceleration of the principal of the Series 2019 Bonds upon an Event of Default (as defined in the Indenture). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2019 BONDS - Enforcement and Collection of Series 2019 Special Assessments" herein and "APPENDIX C - Forms of Master Indenture, First Supplemental Indenture, Second Supplemental Indenture and Third Supplemental Indenture" attached hereto.

Book-Entry Only System

The information in this caption concerning The Depository Trust Company, New York, New York, ("DTC") and DTC's book-entry system has been obtained from DTC and neither the District nor the Underwriter makes any representation or warranty or takes any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Series 2019 Bonds. The Series 2019 Bonds will be issued as fully-registered bonds 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 bond certificate will be issued for each maturity of each Series of the Series 2019 Bonds 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 (the "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 (the "Indirect Participants"). DTC has a Standard and 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 the Series 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2019 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2019 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 2019 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2019 Bonds, except in the event that use of the book-entry system for the Series 2019 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019 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 2019 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 2019 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an 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 made among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2019 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2019 Bonds, as the case may be, to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2019 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2019 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 Registrar on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District and/or the Paying Agent for the

Series 2019 Bonds. 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 the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2019 Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2019 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 that event, Series 2019 Bond certificates will be printed and delivered to DTC.

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

NEITHER THE DISTRICT NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE SERIES 2019 BONDS. THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE SERIES 2019 BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM.

SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2019 BONDS

General

The Series 2019 Area One Bonds are payable from and secured by Pledged Revenues (herein, the "Series 2019 Area One Pledged Revenues"), which is defined in the First Supplemental Indenture as (a) all revenues received by the District from the Series 2019 Area One Special Assessments levied and collected on that portion of the District Lands benefited by the Series 2019 Area One Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2019 Area One Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2019 Area One Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the First Supplement; provided, however, that Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) "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 (it being expressly understood that the lien and pledge of the First Supplement shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso).

The Series 2019 Area One Special Assessments represent an allocation of a portion of the costs of the Series 2019 Area One Project, including bond financing costs, to Assessment

Area One in accordance with the Methodology Report, which report has been adopted by the District and attached hereto as APPENDIX B.

The Series 2019A Area Two Bonds are payable from and secured by Pledged Revenues (herein, the "Series 2019A Area Two Pledged Revenues"), which is defined in the Second Supplemental Indenture as (a) all revenues received by the District from the Series 2019A Area Two Special Assessments levied and collected on that portion of the District Lands benefited by the Series 2019 Area Two Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2019A Area Two Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2019A Area Two Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Second Supplement; provided, however, that the Series 2019 Area Two Acquisition and Construction Account shall be held jointly for the benefit of all of the Series 2019 Area Two Bonds without privilege or priority of one such Series over another; and provided further, however, that Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) "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 (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso).

The Series 2019A Area Two Special Assessments represent an allocation of a portion of the costs of the Series 2019 Area Two Project, including bond financing costs, to Assessment Area Two in accordance with the Methodology Report.

The Series 2019B Area Two Bonds are payable from and secured by Pledged Revenues (herein, the "Series 2019B Area Two Pledged Revenues"), which is defined in the Third Supplemental Indenture as (a) all revenues received by the District from the Series 2019B Area Two Special Assessments levied and collected on that portion of the District Lands benefited by the Series 2019 Area Two Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2019B Area Two Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2019B Area Two Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Third Supplement; provided, however, that the Series 2019 Area Two Acquisition and Construction Account shall be held jointly for the benefit of all of the Series 2019 Area Two Bonds without privilege or priority of one such Series over another; and provided further, however, that Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) "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 (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso).

The Series 2019B Area Two Special Assessments represent an allocation of a portion of the costs of the Series 2019 Area Two Project, including bond financing costs, to Assessment Area Two in accordance with the Methodology Report.

NEITHER THE SERIES 2019 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 2019 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. 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 2019 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2019 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE APPLICABLE SERIES 2019 SPECIAL ASSESSMENTS AND THE APPLICABLE PLEDGED REVENUES PLEDGED TO THE SERIES 2019 BONDS, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

Additional Bonds

In the First Supplemental Indenture, the District covenants and agrees that so long as there are any Series 2019 Area One Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Series 2019 Area One Pledged Revenues, except for refunding bonds. The District further covenants and agrees in the First Supplemental Indenture that so long as the Series 2019 Area One Special Assessments have not been Substantially Absorbed, it shall not issue any Bonds secured by Special Assessments for capital projects on lands subject at such time to the Series 2019 Area One Special Assessments without the consent of the Majority Owners of the Series 2019 Area One Bonds; provided, however, that the foregoing shall not preclude the imposition of Special Assessments for capital projects necessary for health, safety, and welfare reasons, to remediate a natural disaster, or imposed prior to the issuance of the Series 2019 Area One Bonds. Notwithstanding the foregoing, the District covenants and agrees in the First Supplemental Indenture that it shall not issue any Bonds secured by Special Assessments for capital projects if there shall be occurred and be continuing any Event of Default with respect to any Series of Bonds issued under the Master Indenture. "Substantially Absorbed" is defined in the First Supplemental Indenture to mean the date on which a principal amount of the Series 2019 Area One Special Assessments equaling at least ninety percent (90%) of the then Outstanding principal amount of the Series 2019 Area One Bonds are levied on Assessment Area One with respect to which a certificate of occupancy has been issued for a structure thereon.

In the Second Supplemental Indenture, the District covenants and agrees that so long as there are any Series 2019A Area Two Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Series 2019A Area Two Pledged Revenues, except for refunding bonds. The District further covenants and agrees in the Second Supplemental Indenture that so long as the Series 2019A Area Two Special Assessments have not been Substantially Absorbed, it shall not issue any Bonds secured by Special Assessments for capital projects on lands subject at such time to the Series 2019A Area Two Special Assessments without the consent of the Majority Owners of the Series 2019A Area Two Bonds; provided, however, that the foregoing shall not preclude the imposition of Special Assessments for capital projects necessary for health, safety, and welfare reasons, to remediate a natural disaster, or imposed prior to the issuance of the Series 2019A Area Two Bonds. Notwithstanding the foregoing, the District covenants and agrees in the Second Supplemental Indenture that it shall not issue any Bonds secured by Special Assessments for capital projects if there shall be occurred and be continuing any Event of Default with respect to any Series of Bonds issued under the Master Indenture. "Substantially Absorbed" is defined in the Second Supplemental

Indenture to mean the date on which a principal amount of the Series 2019A Area Two Special Assessments equaling at least one hundred percent (100%) of the then Outstanding principal amount of the Series 2019A Area Two Bonds are levied on Assessment Area Two with respect to which a certificate of occupancy has been issued for a structure thereon.

WHILE NO FUTURE ADDITIONAL BONDS WILL BE PAYABLE FROM OR SECURED BY THE APPLICABLE SERIES 2019 SPECIAL ASSESSMENTS PLEDGED AS SECURITY FOR THE SERIES 2019 BONDS, THE DISTRICT, THE COUNTY, THE SCHOOL BOARD OF FLAGLER COUNTY, FLORIDA, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF MAY IN THE FUTURE IMPOSE, LEVY AND COLLECT ASSESSMENTS AND TAXES THE LIENS OF WHICH WILL BE CO-EQUAL WITH THE LIEN OF ASSESSMENTS WHICH INCLUDES THE APPLICABLE SERIES 2019 SPECIAL ASSESSMENTS SECURING THE APPLICABLE SERIES OF SERIES 2019 BONDS. See "- Enforcement and Collection of Series 2019 Special Assessments" below.

Debt Service Reserve Fund

The Master Indenture establishes a Debt Service Reserve Fund, and within such Fund, there is established by the First Supplemental Indenture, Second Supplemental Indenture and Third Supplemental Indenture a separate Debt Service Reserve Account for the Series 2019 Area One Bonds, the Series 2019A Area Two Bonds and the Series 2019B Two Bonds, respectively.

Series 2019 Area One Debt Service Reserve Account

Pursuant to the First Supplement, the Trustee shall establish an Account within the Debt Service Reserve Fund designated as the "Series 2019 Area One Debt Service Reserve Account."

(i) Proceeds of the Series 2019 Area One Bonds shall be deposited into the Series 2019 Area One Debt Service Reserve Account in the amount set forth in the First Supplemental Indenture, which account will be held for the benefit of all of the Series 2019 Area One Bonds, without privilege or priority of one Series 2019 Area One Bond over another, and such moneys, together with any other moneys deposited into such Account pursuant to the Master Indenture, shall be applied for the purposes provided in the First Supplement.

(ii) Earnings on investments in the Series 2019 Area One Debt Service Reserve Account shall be disposed of as follows:

(A) If as of the last date on which amounts on deposit in the Series 2019 Area One Debt Service Reserve Account were valued by the Trustee there was a deficiency in the Series 2019 Area One Debt Service Reserve Account, or if after such date withdrawals have been made from the Series 2019 Area One Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the Series 2019 Area One Debt Service Reserve Account shall be deposited to the credit of the Series 2019 Area One Debt Service Reserve Account until the amounts on deposit therein equal the Series 2019 Area One Debt Service Reserve Requirement; and

(B) As long as no notice of an Event of Default under the First Supplement has been delivered to the Trustee or if such Event of Default described in a notice has been cured or waived as provided in the Master Indenture, and the amount in the Series 2019 Area One Debt Service Reserve Account is not reduced below the then Series 2019 Area One Debt Service Reserve Requirement, then earnings on investments in such Account shall be applied as follows: (x) prior to the Completion Date of the Series 2019 Area One Project, to the Series 2019 Area One Acquisition and Construction Account of the Acquisition and Construction Fund, and (y) on and after the Completion Date of the Series 2019 Area One Project, to the Series 2019 Area One Revenue Account of the Revenue Fund. Upon the occurrence and continuance of an Event of Default, earnings on investments in the Series 2019 Area One Debt Service Reserve Account shall remain therein.

"Series 2019 Area One Debt Service Reserve Requirement" is defined in the First Supplemental Indenture to mean an amount equal to fifty percent (50%) of the maximum annual Debt Service Requirement for the Series 2019 Area One Bonds as of the date of initial issuance of the Series 2019 Area One Bonds, which is \$_____.

Series 2019A Area Two Debt Service Reserve Account

Pursuant to the Second Supplement, the Trustee shall establish an Account within the Debt Service Reserve Fund designated as the "Series 2019A Area Two Debt Service Reserve Account."

(i) Proceeds of the Series 2019A Area Two Bonds shall be deposited into the Series 2019A Area Two Debt Service Reserve Account in the amount set forth in the Second Supplemental Indenture, which account will be held for the benefit of all of the Series 2019A Area Two Bonds, without privilege or priority of one Series 2019A Area Two Bond over another, and such moneys, together with any other moneys deposited into such Account pursuant to the Master Indenture, shall be applied for the purposes provided in the Second Supplement.

(ii) Earnings on investments in the Series 2019A Area Two Debt Service Reserve Account shall be disposed of as follows:

(A) If as of the last date on which amounts on deposit in the Series 2019A Area Two Debt Service Reserve Account were valued by the Trustee there was a deficiency in the Series 2019A Area Two Debt Service Reserve Account, or if after such date withdrawals have been made from the Series 2019A Area Two Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the Series 2019A Area Two Debt Service Reserve Account shall be deposited to the credit of the Series 2019A Area Two Debt Service Reserve Account until the amounts on deposit therein equal the Series 2019A Area Two Debt Service Reserve Requirement; and

(B) As long as no notice of an Event of Default under the Second Supplement has been delivered to the Trustee or if such Event of Default described in a notice has been cured or waived as provided in the Master Indenture, and the amount in the Series 2019A Area Two Debt Service Reserve Account is not reduced below the then Series 2019A Area Two Debt Service

Reserve Requirement, then earnings on investments in such Account shall be applied as follows: (x) prior to the Completion Date of the Series 2019 Area Two Project, on a pro rata basis to the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel D, the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel E and the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel F of the Series 2019 Area Two Acquisition and Construction Account of the Acquisition and Construction Fund, and (y) on and after the Completion Date of all of the components of the Series 2019 Area Two Project, to the Series 2019A Area Two Revenue Account of the Revenue Fund. Upon the occurrence and continuance of an Event of Default, earnings on investments in the Series 2019A Area Two Debt Service Reserve Account shall remain therein.

"Series 2019A Area Two Debt Service Reserve Requirement" is defined in the Second Supplemental Indenture to mean an amount equal to the maximum annual Debt Service Requirement for the Series 2019A Area Two Bonds as of the date of initial issuance of the Series 2019A Area Two Bonds, which on the date of initial issuance shall be \$_____.

Series 2019B Area Two Debt Service Reserve Account

Pursuant to the Third Supplement, the Trustee shall establish an Account within the Debt Service Reserve Fund designated as the "Series 2019B Area Two Debt Service Reserve Account."

(i) Proceeds of the Series 2019B Area Two Bonds shall be deposited into the Series 2019B Area Two Debt Service Reserve Account in the amount set forth in the Third Supplemental Indenture, which account will be held for the benefit of all of the Series 2019B Area Two Bonds, without privilege or priority of one Series 2019B Area Two Bond over another, and such moneys, together with any other moneys deposited into such Account pursuant to the Master Indenture, shall be applied for the purposes provided in the Third Supplement.

(ii) Earnings on investments in the Series 2019B Area Two Debt Service Reserve Account shall be disposed of as follows:

(A) If as of the last date on which amounts on deposit in the Series 2019B Area Two Debt Service Reserve Account were valued by the Trustee there was a deficiency in the Series 2019B Area Two Debt Service Reserve Account, or if after such date withdrawals have been made from the Series 2019B Area Two Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the Series 2019B Area Two Debt Service Reserve Account shall be deposited to the credit of the Series 2019B Area Two Debt Service Reserve Account until the amounts on deposit therein equal the Series 2019B Area Two Debt Service Reserve Requirement; and

(B) As long as no notice of an Event of Default under the Third Supplement has been delivered to the Trustee or if such Event of Default described in a notice has been cured or waived as provided in the Master Indenture, and the amount in the Series 2019B Area Two Debt Service Reserve Account is not reduced below the then Series 2019B Area Two Debt Service Reserve Requirement, then earnings on investments in such Account shall be

applied as follows: (x) prior to the Completion Date of the Series 2019 Area Two Project, on a pro rata basis to the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel D, the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel E and the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel F of the Series 2019 Area Two Acquisition and Construction Account of the Acquisition and Construction Fund, and (y) on and after the Completion Date of all of the components of the Series 2019 Area Two Project, to the Series 2019B Area Two Revenue Account of the Revenue Fund. Upon the occurrence and continuance of an Event of Default, earnings on investments in the Series 2019B Area Two Debt Service Reserve Account shall remain therein.

"Series 2019B Area Two Debt Service Reserve Requirement" is defined in the Third Supplemental Indenture to mean an amount equal to the maximum annual interest requirement for the Series 2019B Area Two Bonds as of the date of initial issuance of the Series 2019B Area Two Bonds, which on the date of initial issuance shall be \$_____.

Revenue Fund

The Master Indenture establishes a Revenue Fund, and within such Fund, there is established by the First Supplemental Indenture, Second Supplemental Indenture and Third Supplemental Indenture a separate Revenue Account for the Series 2019 Area One Bonds, the Series 2019A Area Two Bonds and the Series 2019B Two Bonds, respectively.

Series 2019 Area One Revenue Account

Pursuant to the First Supplement, the Trustee shall establish a separate Account within the Revenue Fund designated as the "Series 2019 Area One Revenue Account." Series 2019 Area One Special Assessments (except for Series 2019 Area One Prepayments which shall be identified as such by the District to the Trustee to be deposited in the Series 2019 Area One Prepayment Account) shall be deposited by the Trustee into the Series 2019 Area One Revenue Account which shall be applied as set forth in the First Supplement.

Pursuant to the First Supplement, the Trustee shall transfer from amounts on deposit in the Series 2019 Area One Revenue Account of the Revenue Fund to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, not later than the Business Day preceding each May 1 and November 1, to the Series 2019 Area One Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2019 Area One Bonds due on such May 1 or November 1, less any amount on deposit in the Series 2019 Area One Interest Account representing capitalized interest in accordance with the First Supplemental Indenture and less any other amounts already on deposit in the Series 2019 Area One Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, to the Series 2019 Area One Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Series 2019 Area One Bonds subject to sinking fund redemption on such May 1, less any amount on deposit in the Series 2019 Area One Sinking Fund Account not previously credited;

THIRD, upon receipt but no later than the Business Day next succeeding each Interest Payment Date, to the Series 2019 Area One Debt Service Reserve Account an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2019 Area One Debt Service Reserve Requirement;

FOURTH, notwithstanding the foregoing, at any time the Series 2019 Area One Bonds are subject to redemption on a date which is not an Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2019 Area One Interest Account the amount necessary to pay interest on the Series 2019 Area One Bonds subject to redemption on such date; and

FIFTH, subject to the following paragraph, the balance of any moneys remaining after making the foregoing deposits shall remain in the Series 2019 Area One Revenue Account unless pursuant to the Arbitrage Certificate it is necessary to make a deposit into the Rebate Fund, in which case the District shall direct the Trustee in writing to make such deposit thereto.

On or after each November 2, the Trustee shall transfer to the District, at the District's written direction, the balance on deposit in the Series 2019 Area One Revenue Account on such November 2 to be used for any lawful purpose of the District; provided, however, that on the date of such proposed transfer the amount on deposit in the Series 2019 Area One Debt Service Reserve Account shall be equal to the Series 2019 Area One Debt Service Reserve Requirement and, provided, further, that no notice of an Event of Default under the First Supplement has been delivered to the Trustee, including the payment of Trustee's fees and expenses then due.

Series 2019A Area Two Revenue Account

Pursuant to the Second Supplement, the Trustee shall establish a separate Account within the Revenue Fund designated as the "Series 2019A Area Two Revenue Account." Series 2019A Area Two Special Assessments (except for Series 2019A Area Two Prepayments which shall be identified as such by the District to the Trustee to be deposited in the Series 2019A Area Two Prepayment Account) shall be deposited by the Trustee into the Series 2019A Area Two Revenue Account which shall be applied as set forth in the Second Supplement.

The Trustee shall transfer from amounts on deposit in the Series 2019A Area Two Revenue Account of the Revenue Fund to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, not later than the Business Day preceding each May 1 and November 1, to the Series 2019A Area Two Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2019A Area Two Bonds due on such May 1 or November 1, less any amount on deposit in the Series 2019A-1 Interest Account representing capitalized interest in accordance with the Second Supplemental Indenture and less any other amounts already on deposit in the Series 2019A Area Two Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, to the Series 2019A Area Two Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Series 2019A Area Two Bonds subject to sinking fund redemption on such May 1, less any amount on deposit in the Series 2019A Area Two Sinking Fund Account not previously credited;

THIRD, upon receipt but no later than the Business Day next succeeding each Interest Payment Date, to the Series 2019A Area Two Debt Service Reserve Account an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2019A Area Two Debt Service Reserve Requirement;

FOURTH, notwithstanding the foregoing, at any time the Series 2019A Area Two Bonds are subject to redemption on a date which is not an Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2019A Area Two Interest Account the amount necessary to pay interest on the Series 2019A Area Two Bonds subject to redemption on such date; and

FIFTH, subject to the following paragraph, the balance of any moneys remaining after making the foregoing deposits shall remain in the Series 2019A Area Two Revenue Account unless pursuant to the Arbitrage Certificate it is necessary to make a deposit into the Rebate Fund, in which case the District shall direct the Trustee in writing to make such deposit thereto.

On or after each November 2, the Trustee shall transfer to the District, at the District's written direction, the balance on deposit in the Series 2019A Area Two Revenue Account on such November 2 to be used for any lawful purpose of the District; provided, however, that on the date of such proposed transfer the amount on deposit in the Series 2019A Area Two Debt Service Reserve Account shall be equal to the Series 2019A Area Two Debt Service Reserve Requirement and, provided, further, that no notice of an Event of Default under the Second Supplement has been delivered to the Trustee, including the payment of Trustee's fees and expenses then due.

Series 2019B Area Two Revenue Account

Pursuant to the Third Supplement, the Trustee shall establish a separate Account within the Revenue Fund designated as the "Series 2019B Area Two Revenue Account." Series 2019B Area Two Special Assessments (except for Series 2019B Area Two Prepayments which shall be identified as such by the District to the Trustee to be deposited in the Series 2019B Area Two Prepayment Account) shall be deposited by the Trustee into the Series 2019B Area Two Revenue Account which shall be applied as set forth in the Third Supplement.

The Trustee shall transfer from amounts on deposit in the Series 2019B Area Two Revenue Account of the Revenue Fund to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, not later than the Business Day preceding each May 1 and November 1, to the Series 2019B Area Two Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2019B Area Two Bonds due on such May 1 or November 1, less any amount on deposit in the Series 2019B Area Two Interest Account representing capitalized interest in accordance with the Third Supplemental Indenture and less any other amounts already on deposit in the Series 2019B Area Two Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, to the Series 2019B Area Two Principal Account of the Debt Service Fund, an amount equal to the principal amount of Series 2019B Area Two Bonds Outstanding and maturing on

such May 1, if any, less any amounts on deposit in the Series 2019B Area Two Principal Account not previously credited;

THIRD, upon receipt but no later than the Business Day next succeeding each Interest Payment Date, to the Series 2019B Area Two Debt Service Reserve Account an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2019B Area Two Debt Service Reserve Requirement;

FOURTH, notwithstanding the foregoing, at any time the Series 2019B Area Two Bonds are subject to redemption on a date which is not an Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2019B Area Two Interest Account the amount necessary to pay interest on the Series 2019B Area Two Bonds subject to redemption on such date; and

FIFTH, subject to the following paragraph, the balance of any moneys remaining after making the foregoing deposits shall remain in the Series 2019B Area Two Revenue Account unless pursuant to the Arbitrage Certificate it is necessary to make a deposit into the Rebate Fund, in which case the District shall direct the Trustee in writing to make such deposit thereto.

On or after each November 2, the Trustee shall transfer to the District, at the District's written direction, the balance on deposit in the Series 2019B Area Two Revenue Account on such November 2 to be used for any lawful purpose of the District; provided, however, that on the date of such proposed transfer the amount on deposit in the Series 2019B Area Two Debt Service Reserve Account shall be equal to the Series 2019B Area Two Debt Service Reserve Requirement and, provided, further, that no notice of an Event of Default under the Third Supplement has been delivered to the Trustee, including the payment of Trustee's fees and expenses then due.

Acquisition and Construction Fund

Series 2019 Area One Acquisition and Construction Account and Subaccount

Pursuant to the First Supplement, the Trustee shall establish a separate Account within the Acquisition and Construction Fund designated as the "Series 2019 Area One Acquisition and Construction Account." Proceeds of the Series 2019 Area One Bonds shall be deposited into the Series 2019 Area One Acquisition and Construction Account in the amount set forth in the First Supplemental Indenture, together with any excess moneys transferred to the Series 2019 Area One Acquisition and Construction Account, and such moneys in the Series 2019 Area One Acquisition and Construction Account shall be applied as set forth in the First Supplement. After the Completion Date of the Series 2019 Area One Project and after retaining in the Series 2019 Area One Acquisition and Construction Account the amount, if any, of all remaining unpaid Costs of the Series 2019 Area One Project set forth in the Consulting Engineer's Certificate establishing such Completion Date, any funds remaining in the Series 2019 Area One Acquisition and Construction Account shall be transferred to and deposited into the Series 2019 Area One General Account of the Series 2019 Area One Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2019 Area One Bonds, and the Series 2019 Area One Acquisition and Construction Account shall be closed.

The First Supplement establishes within the Series 2019 Area One Acquisition and Construction Account of the Acquisition and Construction Fund held by the Trustee a "Series

2019 Area One Costs of Issuance Subaccount." Amounts in the Series 2019 Area One Costs of Issuance Subaccount shall be applied by the Trustee to pay the costs relating to the issuance of the Series 2019 Area One Bonds. Six months after the date of issuance of the Series 2019 Area One Bonds, any moneys remaining in the Series 2019 Area One Costs of Issuance Subaccount which have not been requisitioned by the District to pay costs relating to the issuance of the Series 2019 Area One Bonds shall be deposited into the Series 2019 Area One Acquisition and Construction Account and applied as set forth in the First Supplement, and the Series 2019 Area One Costs of Issuance Subaccount shall be closed.

In accordance with the provisions of the First Supplement, upon the occurrence of an Event of Default with respect to the Series 2019 Area One Bonds, the Series 2019 Area One Bonds are payable solely from the Series 2019 Area One Pledged Revenues and any other moneys held by the Trustee under the First Supplement for such purpose. Anything in the First Supplement to the contrary notwithstanding, the District acknowledges in the First Supplemental Indenture that, upon the occurrence of an Event of Default with respect to the Series 2019 Area One Bonds, (i) the Series 2019 Area One Pledged Revenues include, without limitation, all amounts on deposit in the Series 2019 Area One Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) the Series 2019 Area One Pledged Revenues may not be used by the District (whether to pay Costs of the Series 2019 Area One Project or otherwise) without the consent of the Majority Owners of the Series 2019 Area One Bonds, 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 2019 Area One Project and payment is for such work, and (iii) the Series 2019 Area One Pledged Revenues may be used by the Trustee, at the written direction or with the written approval of the Majority Owners of the Series 2019 Area One Bonds, to pay costs and expenses incurred in connection with the pursuit of remedies under the First Supplement or as otherwise provided in the Master Indenture. The District shall not enter into any binding agreement with respect to the Series 2019 Area One Project after the occurrence of an Event of Default unless authorized in writing by the Majority Owners of the Series 2019 Area One Bonds.

Series 2019 Area Two Acquisition and Construction Account and Subaccounts

Pursuant to the Second Supplement, the Trustee shall establish a separate Account within the Acquisition and Construction Fund designated as the "Series 2019 Area Two Acquisition and Construction Account," and within such Account, three Subaccounts designated as the "Series 2019 Area Two Acquisition and Construction Subaccount – Parcel D," the "Series 2019 Area Two Acquisition and Construction Subaccount – Parcel E" and the "Series 2019 Area Two Acquisition and Construction Subaccount – Parcel F" (which such Account and the Subaccounts therein shall be held concurrently for the benefit of all of the Series 2019 Area Two Bonds). Proceeds of the Series 2019A Area Two Bonds shall be deposited into the Series 2019 Area Two Acquisition and Construction Account and the Subaccounts therein in the amounts set forth in the Second Supplemental Indenture. Such moneys in the Series 2019 Area Two Acquisition and Construction Account and the Subaccounts therein shall be applied as set forth in the Second Supplement to pay Costs of the respective component of the Series 2019 Area Two Project. Each requisition shall indicate which subaccount of the Series 2019 Area Two Acquisition and Construction Subaccount the funds are to be drawn from. After the Completion Date of the respective component of the Series 2019 Area Two Project and after retaining in the respective subaccount of the Series 2019 Area Two Acquisition and Construction Account the amount, if any, of all remaining unpaid Costs of any portion of the respective component of the Series 2019 Area Two Project set forth in the Consulting Engineer's Certificate establishing such Completion Date, any funds remaining in the respective subaccount of the Series 2019

Area Two Acquisition and Construction Account may be requisitioned to pay the Costs of any other portion of the Series 2019 Area Two Project until such Series 2019 Area Two Project is complete; otherwise, such funds shall be transferred to and deposited into the Series 2019A Area Two General Account of the Series 2019A Area Two Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2019A Area Two Bonds, and the respective subaccount of the Series 2019 Area Two Acquisition and Construction Account shall be closed.

The Second Supplement establishes within the Series 2019 Area Two Acquisition and Construction Account of the Acquisition and Construction Fund held by the Trustee a "Series 2019A Area Two Costs of Issuance Subaccount." Amounts in the Series 2019A Area Two Costs of Issuance Subaccount shall be applied by the Trustee to pay the costs relating to the issuance of the Series 2019A Area Two Bonds. Six months after the date of issuance of the Series 2019A Area Two Bonds, any moneys remaining in the Series 2019A Area Two Costs of Issuance Subaccount which have not been requisitioned by the District to pay costs relating to the issuance of the Series 2019A Area Two Bonds shall be deposited on a pro rata basis into the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel D, the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel E, and the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel F of the Series 2019 Area Two Acquisition and Construction Account and applied as set forth in the Second Supplement, and the Series 2019A Area Two Costs of Issuance Subaccount shall be closed.

In accordance with the provisions of the Second Supplement, upon the occurrence of an Event of Default with respect to the Series 2019A Area Two Bonds, the Series 2019A Area Two Bonds are payable solely from the Series 2019A Area Two Pledged Revenues and any other moneys held by the Trustee under the Second Supplement for such purpose. Anything in the Second Supplement to the contrary notwithstanding, the District acknowledges in the Second Supplemental Indenture that, upon the occurrence of an Event of Default with respect to the Series 2019A Area Two Bonds, (i) the Series 2019A Area Two Pledged Revenues include, without limitation, all amounts on deposit in the Series 2019 Area Two Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) the Series 2019A Area Two Pledged Revenues may not be used by the District (whether to pay Costs of the Series 2019 Area Two Project or otherwise) without the consent of the Majority Owners of the Series 2019A Area Two Bonds, 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 2019 Area Two Project and payment is for such work and (iii) the Series 2019A Area Two Pledged Revenues may be used by the Trustee, at the written direction or with the written approval of the Majority Owners of the Series 2019A Area Two Bonds, to pay costs and expenses incurred in connection with the pursuit of remedies under the Second Supplement or as otherwise provided in the Master Indenture. The District shall not enter into any binding agreement with respect to the Series 2019 Area Two Project after the occurrence of an Event of Default unless authorized in writing by the Majority Owners of the Series 2019A Area Two Bonds.

Pursuant to the Third Supplement, proceeds of the Series 2019B Area Two Bonds shall be deposited into the Series 2019 Area Two Acquisition and Construction Account and the Subaccounts therein in the amounts set forth in the Second Supplemental Indenture. Such moneys in the subaccounts of Series 2019 Area Two Acquisition and Construction Account and the Subaccounts therein shall be applied as set forth in the Third Supplement to pay Costs of the respective component of the Series 2019 Area Two Project. Each requisition shall indicate which subaccount of the Series 2019 Area Two Acquisition and Construction Subaccount the

funds are to be drawn from. After the Completion Date of the respective component of the Series 2019 Area Two Project and after retaining in the respective subaccount of the Series 2019 Area Two Acquisition and Construction Account the amount, if any, of all remaining unpaid Costs of any portion of the respective component of the Series 2019 Area Two Project set forth in the Consulting Engineer's Certificate establishing such Completion Date, any funds remaining in the respective subaccount of the Series 2019 Area Two Acquisition and Construction Account may be requisitioned to pay the Costs of any other portion of the Series 2019 Area Two Project until such Series 2019 Area Two Project is complete; otherwise, such funds shall be transferred to and deposited into the Series 2019A Area Two General Account of the Series 2019A Area Two Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2019A Area Two Bonds, and the respective subaccount of the Series 2019 Area Two Acquisition and Construction Account shall be closed.

The Third Supplement establishes within the Series 2019 Area Two Acquisition and Construction Account of the Acquisition and Construction Fund held by the Trustee a "Series 2019B Area Two Costs of Issuance Subaccount." Amounts in the Series 2019B Area Two Costs of Issuance Subaccount shall be applied by the Trustee to pay the costs relating to the issuance of the Series 2019B Area Two Bonds. Six months after the date of issuance of the Series 2019B Area Two Bonds, any moneys remaining in the Series 2019B Area Two Costs of Issuance Subaccount which have not been requisitioned by the District to pay costs relating to the issuance of the Series 2019B Area Two Bonds shall be deposited on a pro rata basis into the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel D, the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel E, and the Series 2019 Area Two Acquisition and Construction Subaccount – Parcel F of the Series 2019 Area Two Acquisition and Construction Account and applied as set forth in the Third Supplement, and the Series 2019B Area Two Costs of Issuance Subaccount shall be closed.

In accordance with the provisions of the Third Supplement, upon the occurrence of an Event of Default with respect to the Series 2019B Area Two Bonds, the Series 2019B Area Two Bonds are payable solely from the Series 2019B Area Two Pledged Revenues and any other moneys held by the Trustee under the Third Supplement for such purpose. Anything in the Third Supplement to the contrary notwithstanding, the District acknowledges in the Third Supplemental Indenture that, upon the occurrence of an Event of Default with respect to the Series 2019B Area Two Bonds, (i) the Series 2019B Area Two Pledged Revenues include, without limitation, all amounts on deposit in the Series 2019 Area Two Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) the Series 2019B Area Two Pledged Revenues may not be used by the District (whether to pay Costs of the Series 2019 Area Two Project or otherwise) without the consent of the Majority Owners of the Series 2019B Area Two Bonds, 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 2019 Area Two Project and payment is for such work and (iii) the Series 2019B Area Two Pledged Revenues may be used by the Trustee, at the written direction or with the written approval of the Majority Owners of the Series 2019B Area Two Bonds, to pay costs and expenses incurred in connection with the pursuit of remedies under the Third Supplement or as otherwise provided in the Master Indenture. The District shall not enter into any binding agreement with respect to the Series 2019 Area Two Project after the occurrence of an Event of Default unless authorized in writing by the Majority Owners of the Series 2019B Area Two Bonds.

Bond Redemption Fund

Series 2019 Area One Bond Redemption Fund

Pursuant to the First Supplement, the Trustee shall establish a separate Series Bond Redemption Fund designated as the "Series 2019 Area One Bond Redemption Fund" and within such Fund, a "Series 2019 Area One General Account" and a "Series 2019 Area One Prepayment Account." Except as otherwise provided in the First Supplemental Indenture, moneys to be deposited into the Series 2019 Area One Bond Redemption Fund, as provided in the Master Indenture shall be deposited to the Series 2019 Area One General Account of the Series 2019 Area One Bond Redemption Fund. Series 2019 Area One Prepayments shall be identified as such by the District to the Trustee to then be deposited directly into the Series 2019 Area One Prepayment Account of the Series 2019 Area One Bond Redemption Fund, as provided in the First Supplement.

(i) Moneys in the Series 2019 Area One General Account (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to make such deposits into the Rebate Fund for the Series 2019 Area One Bonds, if any, as the District may direct in writing in accordance with the Arbitrage Certificate, such moneys thereupon to be used solely for the purposes specified in the Arbitrage Certificate. Any moneys so transferred from the Series 2019 Area One General Account to the Rebate Fund shall thereupon be free from the lien and pledge of the First Supplement;

SECOND, to be used to call for extraordinary mandatory redemption pursuant to the First Supplemental Indenture an amount of Series 2019 Area One Bonds equal to the amount of money transferred to the Series 2019 Area One General Account pursuant to the aforesaid clauses or provisions, as appropriate, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in such clauses or provisions, as appropriate; and

THIRD, the remainder to be utilized by the Trustee, at the written direction of a Responsible Officer, to call for redemption such Series 2019 Area One Bonds that are subject to optional redemption pursuant to the First Supplemental Indenture such amount of Series 2019 Area One Bonds as may be practicable; provided, however, that not less than \$5,000 principal amount of Series 2019 Area One Bonds shall be called for redemption at one time.

(ii) Moneys in the Series 2019 Area One Prepayment Account of the Series 2019 Area One Bond Redemption Fund (including all earnings on investments therein) shall be accumulated therein to be used to call for extraordinary mandatory redemption pursuant to the First Supplemental Indenture an amount of Series 2019 Area One Bonds equal to the amount of money transferred to the Series 2019 Area One Prepayment Account pursuant to the aforesaid provision, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in the First Supplemental Indenture.

Series 2019A Area Two Bond Redemption Fund

Pursuant to the Second Supplement, the Trustee shall establish a separate Series Bond Redemption Fund designated as the "Series 2019A Area Two Bond Redemption Fund" and within such Fund, a "Series 2019A Area Two General Account" and a "Series 2019A Area Two Prepayment Account." Except as otherwise provided in the Second Supplemental Indenture, moneys to be deposited into the Series 2019A Area Two Bond Redemption Fund, as provided in the Master Indenture shall be deposited to the Series 2019A Area Two General Account of the Series 2019A Area Two Bond Redemption Fund. Series 2019A Area Two Prepayments shall be identified as such by the District to the Trustee to then be deposited directly into the Series 2019A Area Two Prepayment Account of the Series 2019A Area Two Bond Redemption Fund, as provided in the Second Supplement.

(i) Moneys in the Series 2019A Area Two General Account (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to make such deposits into the Rebate Fund for the Series 2019A Area Two Bonds, if any, as the District may direct in writing in accordance with the Arbitrage Certificate, such moneys thereupon to be used solely for the purposes specified in the Arbitrage Certificate. Any moneys so transferred from the Series 2019A Area Two General Account to the Rebate Fund shall thereupon be free from the lien and pledge of the Second Supplement;

SECOND, to be used to call for extraordinary mandatory redemption pursuant to the Second Supplemental Indenture an amount of Series 2019A Area Two Bonds equal to the amount of money transferred to the Series 2019A Area Two General Account pursuant to the aforesaid clauses or provisions, as appropriate, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in such clauses or provisions, as appropriate; and

THIRD, the remainder to be utilized by the Trustee, at the written direction of a Responsible Officer, to call for redemption such Series 2019A Area Two Bonds that are subject to optional redemption pursuant to the Second Supplemental Indenture such amount of Series 2019A Area Two Bonds as may be practicable; provided, however, that not less than \$5,000 principal amount of Bonds shall be called for redemption at one time.

(ii) Moneys in the Series 2019A Area Two Prepayment Account of the Series 2019A Area Two Bond Redemption Fund (including all earnings on investments therein) shall be accumulated therein to be used to call for extraordinary mandatory redemption pursuant to the Second Supplemental Indenture an amount of Series 2019A Area Two Bonds equal to the amount of money transferred to the Series 2019A Area Two Prepayment Account pursuant to the aforesaid provision, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in the Second Supplemental Indenture.

Series 2019B Area Two Bond Redemption Fund

Pursuant to the Third Supplement, the Trustee shall establish a separate Series Bond Redemption Fund designated as the "Series 2019B Area Two Bond Redemption Fund" and within such Fund, a "Series 2019B Area Two General Account" and a "Series 2019B Area Two

Prepayment Account." Except as otherwise provided in the Third Supplemental Indenture, moneys to be deposited into the Series 2019B Area Two Bond Redemption Fund, as provided in the Master Indenture shall be deposited to the Series 2019B Area Two General Account of the Series 2019B Area Two Bond Redemption Fund. Series 2019B Area Two Prepayments shall be identified as such by the District to the Trustee to then be deposited directly into the Series 2019B Area Two Prepayment Account of the Series 2019B Area Two Bond Redemption Fund, as provided in the Third Supplement.

(i) Moneys in the Series 2019B Area Two General Account (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to make such deposits into the Rebate Fund for the Series 2019B Area Two Bonds, if any, as the District may direct in writing in accordance with the Arbitrage Certificate, such moneys thereupon to be used solely for the purposes specified in the Arbitrage Certificate. Any moneys so transferred from the Series 2019B Area Two General Account to the Rebate Fund shall thereupon be free from the lien and pledge of the Third Supplement;

SECOND, to be used to call for extraordinary mandatory redemption pursuant to the Third Supplemental Indenture an amount of Series 2019B Area Two Bonds equal to the amount of money transferred to the Series 2019B Area Two General Account pursuant to the aforesaid clauses or provisions, as appropriate, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in such clauses or provisions, as appropriate; and

THIRD, the remainder to be utilized by the Trustee, at the written direction of a Responsible Officer, to call for redemption such Series 2019B Area Two Bonds that are subject to optional redemption pursuant to the Third Supplemental Indenture such amount of Series 2019B Area Two Bonds as may be practicable; provided, however, that not less than \$5,000 principal amount of Bonds shall be called for redemption at one time.

(ii) Moneys in the Series 2019B Area Two Prepayment Account of the Series 2019B Area Two Bond Redemption Fund (including all earnings on investments therein) shall be accumulated therein to be used to call for extraordinary mandatory redemption pursuant to the Third Supplemental Indenture an amount of Series 2019B Area Two Bonds equal to the amount of money transferred to the Series 2019B Area Two Prepayment Account pursuant to the aforesaid provision, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in the Third Supplemental Indenture.

Other Funds and Accounts

Series 2019 Area One Bonds

Pursuant to the First Supplement, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2019 Area One Interest Account." Proceeds of the Series 2019 Area One Bonds representing capitalized interest shall be deposited into such Account in the amount set forth in the First Supplemental Indenture. Moneys deposited into

such Account pursuant to the First Supplement shall be applied for the purposes provided therein.

Pursuant to the First Supplement, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2019 Area One Sinking Fund Account." Moneys shall be deposited into such Account as provided in the First Supplement and applied for the purposes provided therein.

Series 2019A Area Two Bonds

Pursuant to the Second Supplement, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2019A Area Two Interest Account." Proceeds of the Series 2019A Area Two Bonds representing capitalized interest shall be deposited into such Account in the amount set forth in the Second Supplemental Indenture. Moneys deposited into such Account pursuant to the Second Supplement shall be applied for the purposes provided therein.

Pursuant to the Second Supplement, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2019A Area Two Sinking Fund Account." Moneys shall be deposited into such Account as provided in the Second Supplement and applied for the purposes provided therein.

Series 2019B Area Two Bonds

Pursuant to the Third Supplement, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2019B Area Two Principal Account." Moneys shall be deposited into such Account as provided in the Third Supplement and applied for the purposes provided therein.

Pursuant to the Third Supplement, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2019B Area Two Interest Account." Proceeds of the Series 2019B Area Two Bonds representing capitalized interest shall be deposited into such Account in the amount set forth in the Third Supplemental Indenture. Moneys deposited into such Account pursuant to the Third Supplement shall be applied for the purposes provided therein.

Developer Agreements

Contemporaneously with the issuance of the Series 2019 Bonds, the District and each Developer will enter into a [Collateral Assignment Agreement], pursuant to which each Developer will collaterally assign to the District, to the extent assignable and to the extent they are solely owned or controlled by the applicable Developer, development rights relating to the applicable Project (as defined herein) and the development of the Development. Notwithstanding such agreements, in the event the District forecloses on the lands subject to the Series 2019 Special Assessments as a result of the applicable Developer's or subsequent landowners' failure to pay such assessments, there is a risk that the District will not have all permits and entitlements necessary to complete the applicable Project.

In addition, the District and each Developer will enter into a [True-Up Agreement] pursuant to which each Developer agrees to timely pay all applicable Series 2019 Special Assessments on lands owned by such Developer and subject to the applicable Series 2019

Special Assessments and to pay, when requested by the District, any amount of Series 2019 Special Assessments allocated to unplatted acres in excess of the allocation in place at the time of issuance of the Series 2019 Bonds pursuant to the Methodology Report or any update thereto.

Finally, the District and each Developer will enter into a [Completion Agreement] pursuant to which each Developer will agree to provide funds to complete the applicable portion of the Projects to the extent that proceeds of the Series 2019 Bonds and any other debt of the District are insufficient therefor.

Events of Default

The Indenture provides that each of the following shall be an "Event of Default" under the Indenture with respect to the Series 2019 Bonds:

(a) if payment of any installment of interest on any Series 2019 Bond is not made when it becomes due and payable; or

(b) if payment of the principal or Redemption Price of any Series 2019 Bond is not made when it becomes due and payable at maturity or upon call or presentation for redemption; or

(c) if the District, for any reason, fails to, or is rendered incapable of fulfilling its obligations under the Indenture or under the Act; or

(d) if the District proposes or makes an assignment for the benefit of creditors or enters into a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the District or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the District and if such is not vacated, dismissed or stayed on appeal within ninety (90) days; or

(e) if the District defaults in the due and punctual performance of any other covenant in the Indenture or in any Series 2019 Bond and such default continues for sixty (60) days after written notice thereof that requires the same to be remedied shall have been given to the District by the Trustee, which notice may be given by the Trustee in its discretion and which notice shall be given by the Trustee at the written request of the Majority Owners of the Outstanding Series 2019 Bonds; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the District shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion; or

(f) the Trustee withdraws more than twenty-five percent (25%) of the available funds from a Series Account of the Debt Service Reserve Fund established to pay Debt Service Requirements for any Series of the Series 2019 Bonds and such amount is not replenished within twelve (12) months of the date of withdrawal (including from collections of delinquent Special Assessments); or

(g) more than twenty-five percent (25%) of the operation and maintenance assessments levied and collected directly by the District on District Lands subject to the Series 2019 Special Assessments securing the applicable Series of Series 2019 Bonds are not paid within ninety (90) days of the date such are due and payable ("Delinquent Direct Billed Operation and Maintenance Assessments").

The District covenants and agrees in the Indenture that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of delinquent Special Assessments, the provisions for the foreclosure of liens of delinquent Special Assessments, and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the written direction of, and on behalf of, the Majority Owners, from time to time, of the applicable Series of Series 2019 Bonds. Notwithstanding anything to the contrary in the Indenture, and unless otherwise directed by the Majority Owners and allowed pursuant to Federal or State law, the District acknowledges and agrees in the Indenture that (i) upon failure of any property owner to pay an installment of Special Assessments collected directly by the District when due, that the entire Special Assessments related to the applicable Series of Series 2019 Bonds on the tax parcel as to which such delinquent Special Assessment pertains, with interest and penalties thereon, shall immediately become due and payable and the District shall cause to be commenced the necessary legal proceedings for the foreclosure of liens of delinquent Special Assessments related to the applicable Series of Series 2019 Bonds with respect to such tax parcel, 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 law in suits to foreclose mortgages. Notwithstanding anything to the contrary in the Indenture, the District shall be entitled to first recover from any foreclosure before such proceeds are applied to the payment of principal or interest on the Series 2019 Bonds, all fees and costs expended in connection with such foreclosure, regardless of whether such fees and costs are included as part of the Special Assessments.

Provisions Relating to Bankruptcy or Insolvency of Landowner

The Master Indenture provides that the provisions of this section shall apply both before and after the commencement, whether voluntary or involuntary, or any case, proceeding or other action by or against any owner of any tax parcel subject to at least five percent (5%) of the Special Assessments securing a Series of Bonds (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"), except where such tax parcel shall be homestead property. For as long as any Series of Bonds remain outstanding, in any Proceeding involving the District, any Insolvent Taxpayer, any Series of Bonds or any Special Assessments securing a Series of Bonds, the District shall be obligated to act in accordance with direction from the Trustee with regard to all matters directly or indirectly affecting the Series of Bonds or for as long as any such Series of Bonds remain Outstanding.

The District further acknowledges and agrees that, although a Series of Bonds may be issued by the District, the Owners of the Series of Bonds are categorically a party with a financial stake in the transaction and, consequently, a party with a vested interest in a Proceeding. In the event of any Proceeding involving any Insolvent Taxpayer:

(a) the District agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects,

either directly or indirectly, the Special Assessments securing a Series of Bonds, such Series of Bonds or any rights of the Trustee under the Indenture that is inconsistent with any direction from the Trustee; provided, however, that the Trustee shall be deemed to have consented, on behalf of the Majority Owners of Outstanding Bonds of a Series, to the proposed action if the District does not receive a written response from the Trustee within forty-five (45) days following request for consent;

(b) the Trustee shall have the right, but is not obligated to (unless directed by the Majority Owners of Outstanding Bonds of a Series and receipt by Trustee of indemnity satisfactory to the Trustee), (i) vote in any such Proceeding any and all claims of the District, except for any claims the District may have related to the District's operation and maintenance assessments or other claims unrelated to the Special Assessments securing a Series of Bonds or such Series of Bonds and (ii) file any motion, pleading, plan or objection in any such Proceeding on behalf of the District, except for any claims the District may have related to the District's operation and maintenance assessments or other claims unrelated to the Special Assessments securing a Series of Bonds or such Series of Bonds, including without limitation, motions seeking relief from the automatic stay, dismissal of the Proceeding, valuation of the property belonging to the Insolvent Taxpayer, termination of exclusivity, and objections to disclosure statements, plans of liquidation or reorganization, and motions for use of cash collateral, seeking approval of sales or post-petition financing; and, if the Trustee chooses to exercise any such rights (or is directed in writing by the Majority Owners of Outstanding Bonds of a Series and receipt by Trustee of indemnity satisfactory to the Trustee), the District shall be deemed to have appointed the Trustee as its agent and granted to the Trustee an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to the District in connection with any Proceeding of any Insolvent Taxpayer, including, without limitation, the right to file and/or prosecute any claims, to propose and prosecute a plan, to vote to accept or reject a plan, and to make any election under Section 1111(b) of the United States Bankruptcy Code; and

(c) the District shall not challenge the validity or amount of any claim submitted in such Proceeding by the Trustee in good faith or any valuations of the lands owned by any Insolvent Taxpayer submitted by the Trustee in good faith in such Proceeding or take any other action in such Proceeding, which is adverse to the Trustee's enforcement of the District claim with respect to the Special Assessments securing a Series of Bonds or receipt of adequate protection (as that term is defined in the United States 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 Special Assessments securing a Series of Bonds, (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.

Notwithstanding the provisions of paragraph (a) above, nothing in this section 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 directions with respect to the Special Assessments securing a Series of Bonds whether such claim is pursued by the District or the Trustee.

Enforcement and Collection of Series 2019 Special Assessments

The primary sources of payment for the Series 2019 Bonds are the applicable Series 2019 Special Assessments imposed on each landowner within the District which are specially benefited by the Projects. To the extent that landowners fail to pay such Series 2019 Special Assessments, delay payments, or are unable to pay such Series 2019 Special Assessments, the successful pursuit of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2019 Bonds. The Act provides for various methods of collection of delinquent taxes by reference to other provisions of the Florida Statutes. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein for a summary of special assessment payment and collection procedures appearing in the Florida Statutes.

Pursuant to the Indenture, the Series 2019 Special Assessments shall be directly collected and enforced by the District pursuant to the provisions of the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto; provided, however, Series 2019 Special Assessments levied on platted lots not owned by the Huntington Developer or Deerfield Developer and pledged under the Indenture to secure the applicable Series of Series 2019 Bonds will be collected pursuant to the uniform method for the levy, collection and enforcement of assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, as amended (the "Uniform Method") pursuant to the Master Indenture. The District covenants in the Indenture to enter into a Property Appraiser and Tax Collector Agreement with the County.

Notwithstanding the immediately preceding paragraph or any other provision in the Indenture to the contrary, upon the occurrence of an Event of Default, if the Trustee, acting at the written direction of the Majority Owners of the applicable Series of Series 2019 Bonds, requests that the District not use the Uniform Method, but instead collect and enforce the applicable Series 2019 Special Assessments pursuant to another available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto, then the District shall collect and enforce said Series 2019 Special Assessments in the manner and pursuant to the method so requested by the Trustee.

Any Series 2019 Special Assessments that are not collected pursuant to the Uniform Method shall be billed directly to the applicable landowner and be payable not later than thirty (30) days prior to each Interest Payment Date.

The District covenants and agrees in the Indenture that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of delinquent Special Assessments, the provisions for the foreclosure of liens of delinquent Special Assessments, and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the written direction of, and on behalf of, the Majority Owners, from time to time, of the Series 2019 Bonds.

Notwithstanding anything to the contrary in the Indenture, and unless otherwise directed by the Majority Owners and allowed pursuant to Federal or State law, the District acknowledges and agrees in the Indenture that (i) upon failure of any property owner to pay an installment of Special Assessments collected directly by the District when due, that the entire Special Assessments related to the applicable Series of Bonds on the tax parcel as to which such delinquent Special Assessment pertains, with interest and penalties thereon, shall immediately become due and payable and the District shall cause to be commenced the necessary legal proceedings for the foreclosure of liens of delinquent Special Assessments related to the

applicable Series of Bonds with respect to such tax parcel, 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 law in suits to foreclose mortgages. Notwithstanding anything to the contrary in the Indenture, the District shall be entitled to first recover from any foreclosure before such proceeds are applied to the payment of principal or interest on the Bonds, all fees and costs expended in connection with such foreclosure, regardless of whether such fees and costs are included as part of the Special Assessments.

If the owner of any lot or parcel of land assessed for the Projects shall be delinquent in the payment of any Series 2019 Special Assessment, then such Series 2019 Special Assessment shall be enforced pursuant to the provisions of Chapter 197, Florida Statutes, or any successor statute thereto, including but not limited to the sale of tax certificates and tax deeds as regards such delinquent Series 2019 Special Assessment. In the event the provisions of Chapter 197, Florida Statutes, and any provisions of the Act with respect to such sale are inapplicable by operation of law, then upon the delinquency of any Series 2019 Special Assessment the District may, to the extent permitted by law, utilize any other method of enforcement as provided in the Master Indenture, including, without limitation, declaring the entire unpaid balance of such Series 2019 Special Assessment to be in default and, at its own expense, cause such delinquent property to be foreclosed, pursuant to the provisions of Section 170.10, Florida Statutes, in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate, or pursuant to the provisions of Chapter 173, Florida Statutes, and Sections 190.026 and 170.10, Florida Statutes, or otherwise as provided by law.

If the Series 2019 Special Assessments levied and collected under the Uniform Method are delinquent, then the applicable procedures for issuance and sale of tax certificates and tax deeds for nonpayment shall be followed in accordance with Chapter 197, Florida Statutes, and related statutes. Alternatively, if the Uniform Method is not utilized, and if any property shall be offered for sale for the nonpayment of any Series 2019 Special Assessment, and no person or persons shall purchase the same for an amount equal to the full amount due on such Series 2019 Special Assessment (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 2019 Special 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 2019 Bonds; provided that the Trustee shall have the right, acting at the written direction of the Majority Owners of the applicable Series of Series 2019 Bonds, but shall not be obligated, to direct the District with respect to any action taken pursuant to this Section. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall use its best efforts to lease or sell such property and deposit all of the net proceeds of any such lease or sale into the respective Revenue Account. Not less than ten (10) days prior to the filing of any foreclosure action or any sale of tax deed as provided in the Indenture, the District shall cause written notice thereof to be mailed to the Owners of the applicable Series of Series 2019 Bonds secured by such delinquent Series 2019 Special Assessments. Not less than thirty (30) days prior to the proposed sale of any lot or tract of land acquired by foreclosure by the District, it shall give written notice thereof to such Owners of the applicable Series of Series 2019 Bonds. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for sale of property acquired by it as trustee for the Owners of the applicable Series of Series 2019 Bonds within thirty (30) days after the receipt of the request therefor signed by the Trustee or the Majority Owners of all Outstanding Bonds of the applicable Series of Series 2019 Bonds.

THERE CAN BE NO ASSURANCE THAT ANY SALE, PARTICULARLY A BULK 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.

Additional Covenants Regarding Assessments

The District covenants in the Indenture to comply with the terms of the proceedings heretofore adopted with respect to the Series 2019 Special Assessments, including the assessment resolutions and the Methodology Report, and to levy the Series 2019 Special Assessments and any required true-up payments set forth in the Methodology Report, in such manner as will generate funds sufficient to pay the principal of and interest on the applicable Series of Series 2019 Bonds, when due. The Methodology Report shall not be amended in a manner that materially impacts the methodology used therein without written consent of the Majority Owners of the applicable Series of Series 2019 Bonds.

Prepayment

At any time any owner of property subject to the Series 2019 Special Assessments may, at its option, or under certain circumstances described in the assessment resolutions in connection with Prepayments derived from application of the "true-up" mechanism therein, require the District to reduce or release and extinguish the lien upon its property by virtue of the levy of the Series 2019 Special Assessments by paying to the District all or a portion of the Series 2019 Special Assessment which shall constitute Prepayments as directed in writing by the District pursuant to the provisions of the Indenture, plus accrued interest to the next succeeding Redemption Date (or the second succeeding Redemption Date if such prepayment is made within forty-five (45) calendar days before a Redemption Date), attributable to the property subject to such Series 2019 Special Assessment owned by such owner. The written instructions shall be delivered to the Trustee on the 46th day prior to a Redemption Date.

Upon receipt of applicable Prepayments as described above, which includes accrued interest to the next succeeding Redemption Date (or the second succeeding Redemption Date if such prepayment is made within forty-five (45) calendar days before a Redemption Date), subject to satisfaction of the conditions set forth therein, the District shall immediately pay the amount so received to the Trustee and clearly identify in writing such amounts as an applicable Prepayment and the District shall take such action as is necessary to record in the official records of the County an affidavit or affidavits, as the case may be, executed by the District Manager, to the effect that the applicable Series 2019 Special Assessment has been paid in whole or in part and that such Series 2019 Special Assessment lien is thereby reduced, or released and extinguished, as the case may be. Upon receipt of any such moneys from the District the Trustee shall immediately deposit the same into the applicable Prepayment Account of the applicable Bond Redemption Fund to be applied in accordance with the Indenture, to the redemption of the applicable Series of Series 2019 Bonds in accordance with the Indenture. See "DESCRIPTION OF THE SERIES 2019 BONDS - Redemption Provisions" herein.

Re-Assessment

Pursuant to the Master Indenture, if any Special Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the District shall be

satisfied that any such Special Assessment is so irregular or defective that the same cannot be enforced or collected, or if the District shall have omitted to make such Special Assessment when it might have done so, the District shall either (i) take all necessary steps to cause a new Special Assessment to be made for the whole or any part of said improvement or against any property benefitted by said improvement, or (ii) in its sole discretion, make up the amount of such Special Assessment from any legally available moneys, which moneys shall be deposited into the applicable Series Account in the Revenue Fund. In case such second Special Assessment shall be annulled, the District shall obtain and make other Special Assessments until a valid Special Assessment shall be made.

ENFORCEMENT OF ASSESSMENT COLLECTIONS

General

The primary source of payment for the Series 2019 Bonds is the revenues received by the District from the collection of Series 2019 Special Assessments imposed on certain lands in the District specially benefitted by the Projects pursuant to the Methodology Report and Assessment Proceedings. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein and "APPENDIX B - METHODOLOGY REPORT" attached hereto.

The imposition, levy, and collection of Series 2019 Special Assessments must be done in compliance with the provisions of Florida law. Failure by the District, the Flagler County Tax Collector (the "Tax Collector") or the Flagler County Property Appraiser (the "Property Appraiser") to comply with such requirements could result in delay in the collection of, or the complete inability to collect, Series 2019 Special Assessments during any year. Such delays in the collection of Series 2019 Special Assessments, or complete inability to collect any Series 2019 Special 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 2019 Bonds. See "BONDOWNERS' RISKS" herein. To the extent that landowners fail to pay the Series 2019 Special 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 2019 Bonds.

For the Series 2019 Special Assessments to be valid, the Series 2019 Special Assessments must meet two requirements: (1) the benefit from the Series 2019 Area One Project or the Series 2019 Area Two Project, as applicable, to the lands subject to the applicable Series 2019 Special Assessments must exceed or equal the amount of the applicable Series 2019 Special Assessments, and (2) the Series 2019 Special Assessments must be fairly and reasonably allocated across all such benefitted properties. The Assessment Consultant will certify that these requirements have been met with respect to the Series 2019 Special Assessments.

Pursuant to the Act, and the Assessment Proceedings, the District may collect the Series 2019 Special Assessments through a variety of methods. See "BONDOWNERS' RISKS" herein. Initially, and for undeveloped properties owned by the Developers and subsequent landowners, the District will directly issue annual bills to landowners requiring payment of the Series 2019 Special Assessments, and will enforce that bill through foreclosure proceedings. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein and "APPENDIX B - METHODOLOGY REPORT" attached hereto. As lands are platted and for any currently platted lands, the Series 2019 Special Assessments will be added to the applicable 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.

Direct Billing & Foreclosure Procedures

As noted above, and pursuant to Chapter 170, Florida Statutes, and the Act, the District may directly levy, collect and enforce the Series 2019 Special 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 2019 Special 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 2019 Special Assessments and the ability to foreclose the lien of such Series 2019 Special Assessments upon the failure to pay such Series 2019 Special 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 2019 Special Assessments. See "BONDOWNERS' RISKS" herein.

Uniform Method Procedure

Subject to certain conditions, and for developed lands, the District may alternatively elect to collect the Series 2019 Special Assessments using the Uniform Method. The Uniform Method 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 2019 Special Assessments to be levied and then collected in this manner.

If the Uniform Method is used, the Series 2019 Special 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 2019 Special 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 2019 Special 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 2019 Special Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item would cause the Series 2019 Special 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 2019 Bonds.

Under the Uniform Method, if the Series 2019 Special 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 2019 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 2019 Special Assessments, (2) that future landowners and taxpayers in the District will pay such Series 2019 Special 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 2019 Special Assessments and all other liens that are coequal therewith.

Collection of delinquent Series 2019 Special 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 2019 Special 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 all applicable interest, costs and charges. 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, and any applicable interest, costs and charges, 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 charges. Proceeds from the sale of tax certificates are required to be used to pay Taxes and Assessments (including the Series 2019 Special 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 (7) 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 (2) 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 (7) 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 (2) years after April 1 of the year of issuance of the certificate or as soon thereafter as is reasonable. 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 all other costs to the applicant 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. The holder is also responsible for payment of any amounts included in the bid not already paid, including but not limited to, documentary stamp tax, recording fees, and, if property is homestead property, the moneys to cover the one-half value of the homestead. 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, together with all subsequent unpaid taxes plus the costs and expenses of the application for deed, with interest on the total of such sums, 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. If the property is purchased for an amount in excess of the

statutory bid of the certificate holder, but such excess is not sufficient to pay all governmental liens of record, the excess shall be paid to each governmental unit pro rata.

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 clerk shall enter the land on a list entitled "lands available for taxes" and shall immediately notify the County Commission that the property is available. At any time within ninety (90) days from the date the property is placed on the list, the County may purchase the land for the opening bid, or may waive its rights to purchase the property. Thereafter, and without further notice or advertising, any person, the County or any other 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 (3) years from the date the property was offered for sale, unsold lands escheat to the County in which they are located, free and clear, 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 2019 Special 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 2019 Special Assessments, which are the primary source of payment of the Series 2019 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" herein.

THE DISTRICT

General

The District is a local unit of special purpose government duly organized and existing under the provisions of the Act and established by the Ordinance. The boundaries of the District include approximately 214.95 acres of land (the "District Lands") located within an unincorporated area of the County.

Legal Powers and Authority

The Act was enacted in 1980 to provide a uniform method for the establishment of independent districts to manage and finance basic community development services, including capital infrastructure required for community developments throughout the State. 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.

The Act provides that community development districts have the power to issue general obligation, revenue and special assessment revenue debt obligations in any combination to pay all or part of the cost of infrastructure improvements authorized under the Act. The Act further provides that community development districts have the power under certain conditions to levy and assess ad valorem taxes or non-ad valorem assessments, including the Series 2019 Special Assessments, on all taxable real 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 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; roads and improvements to existing roads that are owned by or conveyed to the local general-purpose government, the State, or the federal government; street lights; alleys; landscaping; hardscaping; and the undergrounding of electric utility lines; buses, trolleys, transit shelters, ridesharing facilities and services, parking improvements, and related signage; (iv) conservation areas, mitigation areas, and wildlife habitat, including the maintenance of any plant or animal species, and any related interest in real or personal property; (v) any other project, facility or service required by a development approval, interlocal agreement, zoning condition, or permit issued by a governmental authority with jurisdiction in the District; and 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, including, but not limited to, guardhouses, fences and gates, and electronic intrusion-detection systems; (b) borrow money and issue bonds of the District; (c) levy, collect and enforce 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. These functions are collectively performed by the Counties and their departments of government.

The Act exempts all property of the District from levy and sale by virtue of an execution and from judgment liens, but does not limit the right of any owner of 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 2019 Bonds.

Board of Supervisors

The Act provides for a five-member Board of Supervisors (the "Board") to serve as a governing body of the District. Members of the Board must be residents of the State and citizens of the United States. Pursuant to the Act, six (6) years after establishment and after 250 qualified electors reside within the District, the seats of Board members whose terms expire

are filled by votes of the qualified electors of the District. A qualified elector is a registered voter who is a resident of the District and the State and a citizen of the United States. Members serve four year terms with staggered expiration dates in the manner set forth in the Act. The current members of the Board* and their respective term expiration dates are set forth below.

<u>Name</u>	<u>Title</u>	<u>Expiration of Term</u>
Howard Lefkowitz†	Chair	November, 2022
Charles Lichtigman	Vice Chair	November, 2022
Steve Thompson	Assistant Secretary	November, 2020
Patricia Hall	Assistant Secretary	November, 2020

The Act empowers the Board 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 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.

Wrathell, Hunt & Associates, LLC, has been retained as the firm to provide district management services for the District (in such capacity, the "District Manager"). The District Manager is actively involved in the management of [___] special districts throughout the State. The District Manager's office is located at 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431 and their phone number is (561) 571-0010.

The District Manager's typical responsibilities can briefly be summarized as directly overseeing and coordinating the District's planning, financing, purchasing, staffing, and reporting and acting as governmental liaison for the District. The District Manager's responsibilities also 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 Bryant Miller Olive P.A., Orlando, Florida, as Bond Counsel; Cobb Cole, P.A., Deland, Florida, as District Counsel; Zev Cohen & Associates, Inc., Ormond Beach, Florida, as District Engineer; and Wrathell, Hunt & Associates, LLC, Boca Raton, Florida, as Assessment Consultant.

* There is currently one vacancy on the Board.

† Affiliated with the Developers or one of their affiliates.

THE SERIES 2019 AREA ONE PROJECT AND SERIES 2019 AREA TWO PROJECT

Detailed information concerning the Series 2019 Area One Project and the Series 2019 Area Two Project is contained in the Engineer's Report for Hunter's Ridge Community Development District No. 1, dated May 2014 and revised November 28, 2018 (the "Engineer's Report"), which is included herein as "APPENDIX A - ENGINEER'S REPORT." The information in this section is qualified in its entirety by reference to such Engineer's Report, which should be read in its entirety.

The Engineer's Report describes the public infrastructure to be constructed within the District Lands, including public roads, utilities (including an irrigation system, sanitary sewer conveyance system and a potable water distribution system), a stormwater drainage system (including items necessary for conveyance of stormwater run-off such as pipes and drainage structures and associated earthwork), internal roads (including base, sub-grade and pavement components), electrical (including roadway lighting), sidewalks within common areas and rights-of-way, and soft costs (including engineering, surveying, permitting and other) (collectively, the "Improvements").

The District Lands are bifurcated into two distinct assessment areas for the purpose of levying assessments: "Assessment Area One" and "Assessment Area Two." Assessment Area One, which consists of Parcels A, B and C, includes 16 thirty-foot single family attached units within Parcel A, 37 thirty-foot single family attached units within Parcel B and 70 sixty-foot single family detached units within Parcel C, for a total of 123 units within Assessment Area One. All of the units in Assessment Area One are fully developed, 119 units have been platted and 63 units have been built, sold and closed with homebuyers. Assessment Area Two, which consists of Parcels D, E and F is currently planned to include 101 thirty-foot single family attached units within Parcel D, 68 sixty-foot single family detached units and 34 seventy-five-foot single family detached units within Parcel E and [14 seventy-five-foot single family detached] units within Parcel F, for a total of [217] units within Assessment Area Two. All of the lots within Assessment Area Two are undeveloped. Proceeds of the Series 2019 Area Two Bonds will fund development of the land within Assessment Area Two. The Improvements necessary for development of Assessment Area One are referred to herein as the "Series 2019 Area One Project" and the Improvements necessary for development of Assessment Area Two are referred to herein as the "Series 2019 Area Two Project." The Series 2019 Area One Project and Series 2019 Area Two Project are referred to collectively herein as the "Projects."

Total costs of the Improvements are estimated by the District Engineer to be approximately \$9.1 million. A summary of the estimated costs of the Improvements, including a breakdown of such costs between Assessment Area One and Assessment Area Two, is set forth in the following table:

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	Assessment Area One				Total Cost
	Cost	Assessment Area Two Cost			
		Parcel D	Parcel E	Parcel F	
<u>Improvement</u>					
Site Preparation	\$1,688,808	\$294,126	\$543,735	\$ 74,275	\$2,600,944
Sewage Collection System	501,313	255,773	281,401	124,897	1,163,384
Drainage System	216,546	247,083	324,864	66,939	855,432
Water Distribution System	231,661	110,485	266,965	31,400	640,511
Reclaimed Water System	117,218	256,149	246,341	22,733	642,441
Road Construction	881,688	464,796	792,000	113,938	2,252,422
Offsite Improvements	--	86,125	464,776	--	550,901
Soft Costs	--	145,222	174,921	65,000	385,143
<u>Total</u>	\$3,637,234	\$1,859,759	\$3,095,003	\$499,182	\$9,091,178

Approximately \$3.6 million has been spent on the development of the lands within Assessment Area One. Proceeds of the Series 2019 Area One Bonds, in the approximate amount of \$2 million, will be used to reimburse the Huntington Developer for costs spent for such development within Assessment Area One.

Costs associated with developing Assessment Area Two will be approximately \$5.45 million of which \$[_____] will be funded by proceeds of the Series 2019 Area Two Bonds. Such proceeds will be segregated into separate subaccounts in the Series 2019 Area Two Acquisition and Construction Account designated for each parcel and such proceeds may only be used for the purpose of developing the respective parcel. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2019 BONDS - Acquisition and Construction Fund" and "ESTIMATED SOURCES AND USES OF BOND PROCEEDS" herein.

Each Developer will enter into a completion agreement at the time of closing of the Series 2019 Bonds to complete the Projects to the extent proceeds from the Series 2019 Bonds are insufficient. See "BONDOWNERS' RISKS - No. 18" herein.

The District Engineer has indicated that all permits necessary to construct the Projects have either been obtained or are expected to be obtained in the ordinary course. See "APPENDIX A - ENGINEER'S REPORT" attached hereto. In addition, see "THE DEVELOPMENT - Development Approvals" herein for a more detailed description of the entitlement and permitting status of the Development.

ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS

General

Wrathell, Hunt & Associates, LLC (the "Assessment Consultant"), has prepared the Hunter's Ridge Community Development District No. 1 Preliminary Master Special Assessment Methodology Report dated May 21, 2014, as amended by the Hunter's Ridge Community Development District No. 1 First Addendum to Master Special Assessment Methodology Report dated December 5, 2018 (as amended, the "Master Report"), which is included herein as part of composite APPENDIX B. The Board adopted the Master Report, as amended, on [December 5, 2018]. Once the final terms of the Series 2019 Bonds are determined, the Master Report will be supplemented to reflect such final terms and the Board will adopt a supplemental report at such

time. A preliminary draft of such supplemental report is included herein as part of composite APPENDIX B (the "Supplemental Report" and together with the Master Report, the "Methodology Report"). The Methodology Report sets forth an overall method (the "Methodology") for allocating the special benefit to the residential units in Assessment Area One and Assessment Area Two resulting from the financing of the Series 2019 Area One Project and Series 2019 Area Two Project, respectively. The Series 2019 Special Assessments will be allocated in accordance with the Methodology, based on product type and assessment area, all as set forth in the Methodology Report. Once levied and imposed, the Series 2019 Special Assessments are a first lien on the land against which assessed until paid or barred by operation of law, co-equal with other Taxes and Assessments levied by the District and other units of government. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

Assessment Area One and Assessment Area Two

The Series 2019 Area One Bonds, the Series 2019A Area Two Bonds and the Series 2019B Area Two Bonds are payable from and secured solely by the Series 2019 Area One Pledged Revenues, the Series 2019A Area Two Pledged Revenues and the Series 2019B Area Two Pledged Revenues, respectively, which consist primarily of the Series 2019 Area One Special Assessments, the Series 2019A Area Two Special Assessments and the Series 2019B Area Two Special Assessments, respectively.

The Series 2019 Area One Special Assessments will initially be levied on 119 platted units within Assessment Area One and approximately 2.93 gross acres within Assessment Area One, which are anticipated to be platted into four additional units. Once the gross acreage within Assessment Area One is platted, the Series 2019 Area One Special Assessments will be levied on 123 total units within Assessment Area One.

The Series 2019A Area Two Special Assessments and the Series 2019B Area Two Special Assessments will be initially levied on an equal assessment per acre basis over approximately [153.99] gross acres within Assessment Area Two. As properties are developed and platted within Assessment Area Two, the Series 2019A Area Two Special Assessments and Series 2019B Area Two Special Assessments will be assigned to the developed and platted properties in accordance with the Methodology Report. It is anticipated that the Series 2019A Area Two Special Assessments and the Series 2019B Area Two Special Assessments will be absorbed by the [217] residential units planned for Assessment Area Two. The Series 2019B Area Two Special Assessments are expected to be paid down upon the Developers' closing of lots with homebuilders. See "APPENDIX B - METHODOLOGY REPORT" attached hereto.

Map of Assessment Areas

Set forth below is a map of the District showing Assessment Area One and Assessment Area Two as well as the corresponding 340 residential lots.

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[INSERT MAP]

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Projected Level of Assessments

Upon final platting, the proposed annual Series 2019 Area One Special Assessments will be levied and allocated to the proposed 123 units in Assessment Area One. The table below illustrates the proposed annual Series 2019 Area One Special Assessments, the projected annual O&M Assessments (hereinafter defined) and the total Series 2019 Area One Bonds par per unit per product type within Assessment Area One:

Parcel/Product Type	Units	Estimated Annual Series 2019 Area One Assessments ¹	Estimated Annual O&M Assessments	Estimated Total Annual Assessments per Unit ¹	Estimated Series 2019 Area One Bonds Par Per Unit
A - 30' single family attached	16				
B - 30' single family attached	37				
C - 60' single family detached	70				
Total	123				

(1) Assessment amounts do not include allowance for collection costs and discount for early payment.

Upon development and platting, the proposed annual Series 2019A Area Two Special Assessments and Series 2019B Area Two Special Assessment will be levied and allocated to the proposed [217] units in Assessment Area Two. The table below illustrates the proposed annual Series 2019A Area Two Special Assessments, Series 2019B Area Two Special Assessments, the projected annual O&M Assessments and the total applicable Series 2019 Area Two Bonds par per unit per product type within Assessment Area Two:

Parcel/Product Type	Units	Estimated Annual Series 2019A Area Two Assessments ¹	Estimated Annual Series 2019B Area Two Assessments ²	Estimated Annual O&M Assessments	Estimated Total Annual Assessments per Unit ²	Estimated Series 2019A Area Two Bonds Par Per Unit	Estimated Series 2019B Area Two Bonds Par Per Unit ²	Estimated Total Series 2019 Area Two Bonds Par per Unit ²
D - 30' single family attached	101							
E - 60' single family detached	68							
E - 75' single family detached	34							
F - 75' single family detached	14							
Total	[217]							

(1) Assessment amounts do not include allowance for collection costs and discount for early payment.

(2) Assessment amounts do not include allowance for collection costs and discount for early payment. Series 2019B Area Two Special Assessments are expected to be paid off on lots in connection with closing of such lots by the applicable Developer to homebuilders.

The land within the District has been and is expected to continue to be subject to Taxes and Assessments imposed by taxing authorities other than the District. These Taxes and Assessments would be payable in addition to the Series 2019 Special Assessments and any other assessments levied by the District. In addition, exclusive of voter approved millages

levied for general obligation bonds, as to which no limit applies, the County and the School District of Flagler County, Florida may each levy ad valorem taxes upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes levied by these other entities could be substantially higher than in the current year. See "THE DEVELOPMENT - Fees and Special Assessments" for more information.

THE DEVELOPMENT

The following information under the captions "THE DEVELOPMENT" and "THE DEVELOPERS" has been provided by the Huntington Developer, Deerfield Developer and Deerfield Landowner for inclusion in this Limited Offering Memorandum as a means for prospective bondholders to understand the anticipated development plan and risks associated with the Development. Although believed to be reliable, such information has not been independently verified by the District or its counsel, or the Underwriter or its counsel, and no person other than the Huntington Developer, Deerfield Developer and Deerfield Landowner makes any representation or warranty as to the accuracy or completeness of such information supplied by it. At the time of issuance of the Series 2019 Bonds, the Huntington Developer, Deerfield Developer and Deerfield Landowner will each represent in writing that the respective information provided by each herein under the captions "THE SERIES 2019 AREA ONE PROJECT AND SERIES 2019 AREA TWO PROJECT," "THE DEVELOPMENT," "THE DEVELOPERS," "LITIGATION - The Developers," and "CONTINUING DISCLOSURE" (as it relates to the Huntington Developer, Deerfield Developer and Deerfield Landowner) does not contain any untrue statement of material fact and does not omit to state any material fact necessary in order to make the statements made herein, in light of the circumstances under which they are made, not misleading.

The Huntington Developer's and Deerfield Landowner's obligations to pay the applicable Series 2019 Special Assessments are no greater than the obligation of any other landowner within the District. The Huntington Developer, Deerfield Developer and Deerfield Landowner are not guarantors of payment on any property within the District and the recourse for the Huntington Developer's and Deerfield Landowner's failure to pay is limited to its respective ownership interests in the property.

General

The boundaries of the District include approximately 214.95 acres of land (the "District Lands") located within an area of unincorporated southern Flagler County, Florida (the "County"), adjacent to the City of Ormond Beach (the "City") in Volusia County, Florida. The District Lands are part of the larger Hunter's Ridge Development of Regional Impact (the "Hunter's Ridge DRI"), which encompasses over 5,000 acres within both the County and the City. The lands within the County portion of the Hunter's Ridge DRI, including the District Lands, are referred to herein as the "Master Development." The portion of the Master Development located within the District comprised of the District Lands is referred to herein as the "Development." The Development is separated into six parcels, A, B, C, D, E and F, which are anticipated to be or have been developed by the Developers (hereinafter defined) into 340 residential units.

The Development is located approximately three miles west of Interstate 95 and bordered by a 2200 acre nature preserve on the west, Airport Road on the north, woods/wetlands on the east and residential development on the south. Primary access to the

Development is provided by Hunters Ridge Boulevard. Interstate 95, which runs north and south paralleling Florida's east coast, has an interchange with State Road 40 approximately five miles southeast of the Development. The Development is conveniently located approximately eight miles from the Ormond/Daytona area beaches, 10 miles from Daytona International Speedway and 13 miles from Daytona Beach International Airport. The Greater Orlando area is approximately 60 miles southwest of the Development and the Greater St. Augustine/Jacksonville area is approximately 50 miles north of the Development. Numerous other recreational attractions are within a one to two hour drive.

Parcels A, B, C, D and E (collectively, "Huntington at Hunter's Ridge") have been or are being developed by BADC Huntington Communities, LLC (the "Huntington Developer"), which is also the owner of the lands not yet sold to homebuilders within Huntington at Hunter's Ridge. See "THE DEVELOPERS - Huntington at Hunter's Ridge" herein for detailed information regarding the Huntington Developer. Parcels A, B and D are herein referred to collectively as "Huntington Villas," Parcel C is herein referred to as "Huntington Woods" and Parcel E is herein referred to as "Huntington Green." Parcels A, B and C, consisting of 123 lots, are fully developed, with 119 lots platted and 88 lots sold to either homeowners and/or builders. Vertical construction has been commenced or completed on 63 units. Parcels D and E are currently undeveloped.

Parcel F ("Deerfield Estates") is being developed by [____], a [____] (the "Deerfield Developer" and together with the Huntington Developer, the "Developers") and such lands are owned by [____], a [____] (the "Deerfield Landowner"). See "THE DEVELOPERS - Deerfield Estates" herein for detailed information regarding the Deerfield Developer and Deerfield Landowner. Parcel F is currently undeveloped.

Huntington at Hunter's Ridge is a 55+ age restricted community zoned Planned Unit Development (the "Huntington PUD") and approved for a total of 172 single family detached units and 155 single family attached units. Deerfield Estates [insert zoning information].

As previously noted, two assessment areas have been created to facilitate the District's development and financing plan: Assessment Area One and Assessment Area Two.

Assessment Area One, which is fully developed, consists of Parcels A, B and C and is planned to contain 123 units, 119 units of which are currently platted. Within Assessment Area One, 63 homes have been built, sold and closed with homebuyers, 25 lots are owned by builders and 31 lots are owned by the Huntington Developer. The builders within Assessment Area One include Gallery Homes of Deland, Inc., Holiday Builders, Inc. and Granada Homes, LLC. See "-Builder Contracts" below. Home prices range from \$202,000 to \$274,000 for single family attached units and \$220,000 to \$327,000 for single family detached units.

The Series 2019 Area One Special Assessments will be levied in connection with the issuance by the District of the Series 2019 Area One Bonds. Initially, the Series 2019 Area One Special Assessments will be levied on the 119 platted lots and approximately 2.93 remaining gross acres within Assessment Area One, and upon platting will ultimately be levied on the 123 planned residential units within Assessment Area One. See "APPENDIX F - BOND COVERAGE MAP" attached hereto. The table below identifies the lots securing the Series 2019 Area One Bonds by product type.

Product Type	Parcel A	Parcel B	Parcel C	Total
30' Single Family Attached	16	37	0	53
60' Single Family Detached	0	0	70	70
Total	16	37	70	123

Assessment Area Two, which is currently undeveloped, consists of Parcels D, E and F and is planned to contain [217] units. Development within Assessment Area Two will begin immediately following the issuance of the Series 2019 Bonds. [172] lots within Assessment Area Two are under contract with builders. Lot prices for the planned single family attached units range from \$58,000 to \$72,500 and lot prices for the planned single family detached units range from \$51,500 to \$72,500 for the 60' lots in Parcel E, \$36,000 to \$44,000 for the 75' lots in Parcel E and \$[_____] to \$[_____] for the 75' lots in Parcel F.

The Series 2019A Area Two Special Assessments and Series 2019B Area Two Special Assessments will be levied in connection with the issuance by the District of the Series 2019 Area Two Bonds. Initially, the Series 2019A Area Two Special Assessments and Series 2019B Area Two Special Assessments will be levied on [153.99] gross acres within Assessment Area Two, and upon platting will ultimately be levied on the [217] planned residential units within Assessment Area Two. See "APPENDIX F - BOND COVERAGE MAP" attached hereto. The table below identifies the lots securing the Series 2019 Area Two Bonds by product type.

Product Type	Parcel D	Parcel E	Parcel F	Total
30' Single Family Attached	101	0	0	101
60' Single Family Detached	0	68	0	68
75' Single Family Detached	0	34	14	48
Total	101	102	14	[217]

Notably, the Series 2019B Area Two Special Assessments are expected to be paid down by the respective Developer at closing with a builder. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein and "APPENDIX B - Methodology Report" attached hereto.

Land Acquisition/Financing

Huntington at Hunter's Ridge

The Huntington Developer acquired the land within Huntington at Hunter's Ridge on December 20, 2013, for a purchase price of \$6,200,000, which was partially financed through a loan (the "Acquisition Loan") from Revere High Yield Fund, L.P. The Huntington Developer repaid the Acquisition Loan in its entirety from proceeds of the Refinance Loan (hereinafter defined).

In December 2016, the Huntington Developer entered into a loan agreement with NPC III, LLC ("NPC"), in the initial principal amount of \$3,850,000, in order to refinance the Acquisition Loan (the "Refinance Loan"). The Refinance Loan is secured by a mortgage on certain property within Huntington at Hunter's Ridge, namely all land owned by the Huntington Developer that has not yet been sold to a homebuilder. Pursuant to a Loan

Extension Agreement, the initial term of the Refinance Loan was extended to June 16, 2019. The outstanding balance of the Refinance Loan as of [_____] is \$[1,600,000], which is expected to be repaid in its entirety upon the issuance of the Series 2019 Bonds.

[NEED TO DISCUSS IF NEEDED] It is expected that the Series 2019 Bonds will initially be secured by Series 2019 Special Assessments levied on lands currently securing repayment of the Refinance Loan. Upon issuance of the Series 2019 Bonds, NPC will enter into a ["Mortgagee Acknowledgement"], pursuant to which NPC will each acknowledge the lien priority of the Series 2019 Special Assessments.

Deerfield Estates

[NEED INFO]

Development Plan and Status

Huntington at Hunter's Ridge

The table below illustrates the current land use plan for Huntington at Hunter's Ridge by parcel and product type, which is subject to change:

Parcel	30' Attached Units	60' Detached Units	75' Detached Units	Total
A	16	0	0	16
B	37	0	0	37
C	0	70	0	70
D	101	0	0	101
E	0	68	34	102
Total	154	138	34	326

Assessment Area One: Parcels A, B and C, which comprise Assessment Area One, are fully developed. Approximately \$3.6 million has been spent developing such parcels. The District intends to acquire the Improvements in Assessment Area One for approximately \$2 million with the net proceeds of the Series 2019 Area One Bonds.

Assessment Area Two: The total cost of the Improvements necessary to develop Parcels D and E is approximately \$1.9 million and \$3.1 million, respectively. The District intends to finance \$[_____] and \$[_____] of such costs for Parcels D and E, respectively, with the net proceeds of the Series 2019 Area Two Bonds. The Huntington Developer has spent approximately \$1.2 million to date on costs related to the Improvements within Parcels D and E.

Land development within Assessment Area Two is expected to commence immediately upon the issuance of the Series 2019 Bonds. Parcels D and E are expected to be complete by the fourth quarter of 2019, with lot delivery for both parcels expected to commence by the third quarter of 2019.

Deerfield Estates

[NEED INFO]

Builder Contracts

Huntington at Hunter's Ridge

The Huntington Developer has entered into builder contracts with the following builders: Gallery Homes of Deland, Inc. ("Gallery"), Holiday Builders, Inc. ("Holiday") and Granada Homes, LLC ("Granada"). Each builder contract provides for the purchase of lots within both Assessment Area One and Assessment Area Two. Currently, 56 lots are under contract in Assessment Area One, of which 25 have been sold to the respective builder. In addition, 63 lots in Assessment Area One have been sold to homebuyers. Within Assessment Area Two, 172 lots are currently under contract. Each specific builder contract is described in more detail, below.

Gallery Contract

Pursuant to the Initial Gallery Contract (hereinafter defined), Gallery previously purchased from the Huntington Developer 30 lots within Assessment Area One (the "Assessment Area One Initial Gallery Lots"). Pursuant to the Subsequent Gallery Contract (hereinafter defined), Gallery is currently under contract with the Huntington Developer to purchase 17 lots within Assessment Area One (the "Assessment Area One Subsequent Gallery Lots" and together with the Assessment Area One Initial Gallery Lots, the "Assessment Area One Gallery Lots") and 34 lots within Assessment Area Two (the "Assessment Area Two Gallery Lots" and together with the Assessment Area One Gallery Lots, the "Gallery Lots"). The Assessment Area One Gallery Lots will ultimately be subject to the Series 2019 Area One Special Assessments and the Assessment Area Two Gallery Lots will ultimately be subject to the Series 2019 Area Two Special Assessments. The Gallery Lots are intended to be developed as single family detached units.

The initial lot purchase contract for the Gallery Lots is dated February 4, 2015 (the "Initial Gallery Contract"), which provided for Gallery to purchase two lots within Assessment Area One for the purpose of construction of model homes, with the ability to reserve and/or purchase additional lots in the future. Gallery subsequently purchased 28 additional lots within Assessment Area One pursuant to the Initial Gallery Contract. On June 1, 2018, the parties entered into a Lot Purchase Agreement, which provided for Gallery to purchase 14 additional lots within Assessment Area One, which agreement was amended on August 30, 2018, to include three additional lots within Assessment Area One, and further amended on September 13, 2018, to include 34 lots within Assessment Area Two (as amended, the "Subsequent Gallery Contract" and together with the Initial Gallery Contract, the "Gallery Contract"). The inspection period under the Gallery Contract has expired, and Gallery has delivered a "notice of suitability" to proceed with the acquisition of the Gallery Lots.

Gallery was required under the Gallery Contract to deliver to the Huntington Developer a deposit of \$25,000 on or before June 6, 2018, in connection with the purchase of the Assessment Area One Gallery Lots, and an additional deposit of \$34,000 on or before September 18, 2018, in connection with the purchase of the Assessment Area Two Gallery Lots (collectively, the "Gallery Deposit"), which Gallery Deposit will be credited against the purchase price of the last 10 Gallery Lots closed.

Pursuant to the Gallery Contract, on June 20, 2018, the Huntington Developer delivered six Assessment Area One Gallery Lots to Gallery at an initial purchase price of \$58,000 - \$72,500 per lot. The Gallery Contract provides for Gallery to take down the remaining

Assessment Area One Gallery Lots on February 1, 2019, at a purchase price of the initial purchase price plus a price escalator of 6.5% per lot. In addition, Gallery is required to pay the Huntington Developer a marketing fee of 2% of the actual sales price of each improved Assessment Area One Gallery Lot upon sale to an end user.

Pursuant to the Gallery Contract, the Huntington Developer expects to deliver 12 Assessment Area Two Gallery Lots to Gallery by the third quarter of 2019 in order to comply with the Gallery Contract (the "Initial Assessment Area Two Gallery Lots Closing"). Following the Initial Assessment Area Two Gallery Lots Closing, the Gallery Contract provides for Gallery to takedown 12 Assessment Area Two Gallery Lots 180 days after the Initial Assessment Area Two Gallery Lots Closing, and the remaining 10 Assessment Area Two Gallery Lots 360 days after the Initial Assessment Area Two Gallery Lots Closing. The base purchase price of each Assessment Area Two Gallery Lot is \$66,000, which will increase at each closing following the Initial Assessment Area Two Gallery Lots Closing at an escalator rate of 6% per annum. A lot premium of \$12,500 will be added to the purchase price of certain lots as specified in the Gallery Contract. In addition, Gallery is required to pay the Huntington Developer a marketing fee of 2% of the actual sales price of each improved Assessment Area Two Gallery Lot upon sale to an end user.

Holiday Contract

Holiday is currently under contract with the Huntington Developer to purchase up to 32 lots within Assessment Area One (the "Assessment Area One Holiday Lots") and 34 lots within Assessment Area Two (the "Assessment Area Two Holiday Lots" and together with the Assessment Area One Holiday Lots, the "Holiday Lots"). The Assessment Area One Holiday Lots will ultimately be subject to the Series 2019 Area One Special Assessments and the Assessment Area Two Holiday Lots will ultimately be subject to the Series 2019 Area Two Special Assessments. The Holiday Lots are intended to be developed as single family detached units.

The lot purchase contract for the Holiday Lots is dated January 4, 2018, which provided for Holiday to purchase 30 lots within Assessment Area One, which agreement was amended on September 14, 2018, to include two additional lots within Assessment Area One, and further amended on September 14, 2018, to include 34 lots within Assessment Area Two (as amended, the "Holiday Contract"). The inspection period under the Holiday Contract has expired, and Holiday has delivered a "notice of suitability" to proceed with the acquisition of the Holiday Lots.

Holiday was required under the Holiday Contract to deliver to the Huntington Developer a deposit of \$25,000 on or before January 9, 2018, in connection with the purchase of the Assessment Area One Holiday Lots, and an additional deposit of \$34,000 on or before September 19, 2018, in connection with the purchase of the Assessment Area Two Holiday Lots (collectively, the "Holiday Deposit"). The Holiday Deposit will be credited against the purchase price of the last 10 Holiday Lots closed.

Pursuant to the Holiday Contract, on June 15, 2018 (the "Initial Assessment Area One Holiday Lots Closing"), the Huntington Developer delivered five Assessment Area One Holiday Lots to Holiday at an initial purchase price of \$51,500 per lot. The Holiday Contract provides for Holiday to takedown a minimum of three Assessment Area One Holiday Lots 120 days after the Initial Assessment Area One Holiday Lots Closing, and a minimum of three lots every 90 days thereafter, until the eighth and final closing. For the first three closings following the

Initial Assessment Area One Holiday Lots Closing, the purchase price is \$51,500 per lot plus a price escalator of 6% per annum. For the fifth closing, the purchase price is increased to \$57,500 per lot, and for each closing thereafter, the purchase price is \$57,500 per lot plus a price escalator of 6% per annum. A lot premium of \$12,500 will be added to the purchase price of certain lots as specified in the Holiday Contract. In addition, Holiday is required to pay the Huntington Developer a marketing fee of 2% of the actual sales price of each improved Assessment Area One Holiday Lot upon sale to an end user.

Pursuant to the Holiday Contract, the Huntington Developer expects to deliver 12 Assessment Area Two Holiday Lots to Holiday by the third quarter of 2019 in order to comply with the Holiday Contract (the "Initial Assessment Area Two Holiday Lots Closing"). Following the Initial Assessment Area Two Holiday Lots Closing, the Holiday Contract provides for Holiday to takedown 12 Assessment Area Two Holiday Lots 180 days after the Initial Assessment Area Two Holiday Lots Closing, and the remaining 10 Assessment Area Two Holiday Lots 360 days after the Initial Assessment Area Two Holiday Lots Closing. The base purchase price of each Assessment Area Two Holiday Lot is \$66,000, which will increase at each closing following the Initial Assessment Area Two Holiday Lots Closing at an escalator rate of 6% per annum. In addition, Holiday is required to pay the Huntington Developer a marketing fee of 2% of the actual sales price of each improved Assessment Area Two Holiday Lot upon sale to an end user.

Granada Contract

Granada is currently under contract with the Huntington Developer to purchase up to 49 lots within Assessment Area One (the "Assessment Area One Granada Lots") and 104 lots within Assessment Area Two (the "Assessment Area Two Granada Lots" and together with the Assessment Area One Granada Lots, the "Granada Lots"). The Assessment Area One Granada Lots will ultimately be subject to the Series 2019 Area One Special Assessments and the Assessment Area Two Granada Lots will ultimately be subject to the Series 2019 Area Two Special Assessments. The Granada Lots are anticipated to be developed as single family attached units.

The lot purchase contract for the Granada Lots is dated July 15, 2016 (the "Granada Contract"). The inspection period under the Granada Contract has expired, and Granada has delivered a "notice of suitability" to proceed with the acquisition of the Granada Lots.

Granada was required under the Granada Contract to deliver to the Huntington Developer a deposit of \$80,000 on or before July 20, 2018 (the "Granada Deposit"), which Granada Deposit will be credited against the purchase price of the final 10 Granada Lots closed.

Pursuant to the Granada Contract, on July 26, 2016 (the "Initial Granada Lots Closing"), the Huntington Developer delivered five Assessment Area One Granada Lots to Granada at an initial purchase price of \$36,000 per lot. The Granada Contract provides for Granada to takedown a specified minimum number of lots every May 1 following the Initial Granada Lots Closing until the final closing on May 1, 2021. To date, the Huntington Developer has delivered a total of 49 Assessment Area One Granada Lots to Granada. For the first two closings following the Initial Granada Lots Closing, the purchase price is \$36,000 per lot. For the final three closings, the purchase price per lot is the higher of \$38,000 or 17% of the purchase price of the home construction on such lot. In addition, Granada is required to pay the Huntington Developer a marketing fee of 1% of the actual sales price of each improved Granada Lot upon sale to an end user.

A recapitulation of the salient terms of each builder contract is provided below:

Builder	Total Lots Under Contract	Minimum Takedown (in respective order)	Initial Lot Purchase Price	Aggregate Deposit
Gallery	53	Assessment Area One*: 6,11 Assessment Area Two: 12,12,10	\$58,000 - \$72,500	\$59,000
Holiday	66	Assessment Area One: 5,3,3,3,3,3,3,3 Assessment Area Two: 12,12,10	\$51,500-\$72,500	\$59,000
Granada	153	Assessment Area One: 5,7,20,17 Assessment Area Two: 8,25,27	\$36,000-\$44,000	\$80,000

* The first thirty lots within Assessment Area One were delivered in connection with the Initial Gallery Contract.

While this section summarizes and discusses the more salient points of the Holiday Contract, Gallery Contract and Granada Contract, each contract is subject to a number of different conditions and covenants that must be met by the parties to each contract in order for lots to close in due course. The discussion herein of such contracts is not intended to be exhaustive, and as with any contractual obligation, unforeseeable delays, changes in circumstances, and other matters could trigger provisions in the contracts that could relieve the parties of continued performance.

Deerfield Estates

[NEED INFO]

Participating Builders

The following represents summary information on the participating builders listed above.

Gallery Homes of Deland, Inc. ("Gallery"): Since its inception in 2007, Gallery has created more than 300 new homes for individuals and families in Volusia County. Gallery founder and CEO Bob Fitzsimmons is a multi-year winner of the J.D. Power's "Highest in Customer Satisfaction" award, bestowed on a region's Top 20 builders. In addition, he has been selected as Builder of the Year three times by the Volusia Building Industry Association.

Holiday Builders, Inc. of Melbourne, Florida ("Holiday"): Holiday has been in business since 1983 and is wholly owned by its employees. Since its inception, Holiday has delivered over 35,000 homes throughout Florida and currently operates in Daytona, Orlando, Port Orange, Melbourne, Rockledge, Palm Bay, Vero Beach, Tampa, Cape Coral, Pensacola and Destin. Holiday has been recognized by J.D. Power for highest quality of new home construction and is consistently ranked as one of the nation's top fifty new home builders.

Granada Homes, LLC ("Granada"): Granada is solely owned by Howard Lefkowitz. Mr. Lefkowitz is also the President of Leeds Holdings/Southeast, Inc., a Florida corporation, which is the development manager for the Huntington Developer, as well as Vice President for BADC Asset Managers, Inc., under which the daily operations of the Huntington Developer are handled. Mr. Lefkowitz has been in the real estate development industry since 1976, and his companies have built over 5,000 homes in greater central Florida. He has also entitled and/or developed over 10,000 residential building lots as well as several thousand square feet of commercial space. Granada was formed solely for the purpose of building the single family attached product line within the Development. Since opening the original models in February

2017, Granada has sold and delivered 18 units within Assessment Area One, and is under construction with 14 more pre-sold units.

[NEED DEERFIELD ESTATES INFO]

NONE OF THE BUILDERS LISTED ABOVE HAVE ANY LIABILITY, NOR ARE ANY GUARANTEEING ANY OF THE DEVELOPERS' OBLIGATIONS WITH RESPECT TO THE PROJECTS OR THEIR COMPLETION OR ANY OF THE DEVELOPERS' OTHER OBLIGATIONS INCURRED IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2019 BONDS OR PAYMENT OF THE SERIES 2019 SPECIAL ASSESSMENTS.

Development Approvals

Hunter's Ridge DRI [TO BE REVISED]

The Development is located within the Hunter's Ridge DRI, which encompasses over 5,000 acres in both the County and the City. The Hunter's Ridge DRI, as amended, was approved by the Flagler County Board of County Commissioners (the "County Commission") in 2010 by Resolution No. 2010-61, and provides for four (4) phases of development, a projected build-out date of December 31, 2030 and an expiration date of December 31, 2032, as such dates may be extended.

The Master Development consists of (i) approximately 1,862 acres of development area, approved for 2,302 residential units, 324,245 square feet of mixed use office/retail/service space and 242,788 square feet of light industrial space, and (ii) approximately 1,978 acres of conservation/regional park area. The Hunter's Ridge DRI authorizes the development of 344 residential units within the Development. The Development is included in Phase 1A of the Hunter's Ridge DRI ("Phase 1A"), which also includes an approximately 88 acre development known as Ashford Lakes.

As approved, the Hunter's Ridge DRI is not subject to downzoning, unit density reduction or intensity reduction before the expiration date, unless the Developer (as defined therein) consents to such change, or the County demonstrates that approval of the Hunter's Ridge DRI was based on substantially inaccurate information provided by the Developer (as defined therein) or unless the change is clearly established by the County to be essential to the public health, safety or welfare. In addition to the Hunter's Ridge DRI, the Development is subject to planned unit development approval and various permits, as required by the County, as further discussed herein.

The Hunter's Ridge DRI sets forth certain guidelines and requirements for development within its boundaries relating to, among other things, transportation, affordable housing, environmental protection, utilities and education, as required by Section 380.06, Florida Statutes. In order to satisfy the concurrency obligations imposed on Phase 1A, the following payments are required of the Developer (as defined therein): (a) prior to the issuance of the 100th residential building permit, \$140,000 to the Flagler County School Board for the purchase of a school bus; (b) prior to the issuance of the 100th building permit, the final platting or site plan approval of 750 residential units, or site plan approval of 100,000 square feet of non-residential space, whichever occurs first, \$200,000 to the County for the purchase of an ambulance; (c) no later than April 1, 2011, \$30,000 to the County for the purchase of a law enforcement patrol car; and (d) an initial payment of \$800,000 to the County for the purchase of the County's golf course rights pursuant to a settlement agreement between the Developer (as

defined in the Hunter's Ridge DRI) and the County. [The Developers certify that the above payments and all other applicable concurrency and vesting requirements for development of the Development have been fully satisfied.]

Planned Unit Development Approvals

The land located within Huntington at Hunter's Ridge is zoned Planned Unit Development, referred to herein as the "Huntington PUD." The Huntington PUD consists of three separate development agreements, one for each of Huntington Woods, Huntington Villas and Huntington Green. The Huntington Woods development agreement was approved by Ordinance No. 2008-26, adopted by the County Commission on August 18, 2008. The Huntington Villas development agreement, as amended, was approved by Ordinance No. 2015-14, adopted by the County Commission on November 16, 2015. The Huntington Green (formerly known as Huntington Lakes) development agreement, as amended, was approved by Ordinance No. 2015-03, adopted by the County Commission on April 6, 2015. Collectively, the Huntington PUD authorizes the development of 172 single family detached units and 155 single family attached units within Huntington at Hunter's Green.

[NEED DEERFIELD ESTATES PUD INFO]

Permits

Various permits required for the construction of the Improvements in Parcels D and E, including those issued by the Florida Department of Health, the Florida Department of Environmental Protection, [the Army Corps of Engineers] and the St. Johns River Water Management District, have been received. The Huntington Developer has advised that there are no known issues which would prevent permits necessary for the installation of the infrastructure relating to Parcels D and E to be obtained.

[NEED DEERFIELD ESTATES PERMIT INFO]

Residential Community

Huntington at Hunter's Ridge

As an age restricted community, the target market for Huntington at Hunter's Ridge is residents aged 55 and older seeking to live a maintenance-free lifestyle in a relaxed, tranquil and natural environment. The majority of the housing demand in new home communities in this sub-market of the Greater Ormond Beach-Daytona Beach area occurs in the \$165,000 to \$400,000 range.

The following table reflects the Huntington Developer's current expectations of the mix of unit types to be constructed in Huntington at Hunter's Ridge and their respective approximate base prices and square footages. The matters set forth in the table are subject to change.

Product Type	Lot Size	Number of Lots	Approximate Square Footage	Expected Home Price
Single Family Attached (30')	30' x 130'	154	1,350-1,600	\$230,000-270,000
Single Family Detached (60')	60' x 130'	138	1,750-2,500	\$265,000-335,000
Single Family Detached (75')	75' x 130'	34	1,800-2,500	\$330,000-450,000
Total		326		

Deerfield Estates

[NEED INFO]

Environmental

A Phase I environmental site assessment was performed on the District Lands by Gidus Ecological & Environmental Group, LLC in June 2015 (the "Environmental Report"). The Environmental Report revealed no evidence of any recognized environmental conditions. See "BONDOWNERS' RISKS - No. 8" herein for more information regarding potential environmental risks.

Utilities

The Development is located within the franchise/service areas of the City of Ormond Beach, which will provide water and wastewater/sewer services to the Development. Florida Power & Light will provide electrical power to the Development and AT&T will provide cable, data and telephone services.

Projected Absorption

Based on the builder contracts in place, the Huntington Developer projects that all lots within Assessment Area Two will be absorbed by homebuilders over a four year period, starting in 2019, with all of lots within Assessment Area Two closed with homebuilders by approximately 2023. The aforementioned 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.

[NEED DEERFIELD ESTATES INFO]

Marketing

Each participating homebuilder within Huntington at Hunter's Ridge is responsible for independently operating full depth marketing programs. Three separate onsite sales centers along with fully furnished model homes are operated by the respective homebuilders. The Huntington Developer provides a marketing budget of approximately \$10,000 per month, along with website, direct marketing and press marketing services.

[NEED DEERFIELD ESTATES INFO]

Recreational Amenities

The Master Development includes various amenities available to residents of the Development, including a community center/club house with an exercise room, pool, tennis court, softball field, children's play areas and a nature preserve with riding/hiking trails, fishing lakes and a fishing pier (collectively, the "Master Amenities"). The Master Amenities are owned and maintained by the Hunter's Ridge Homeowners Association of East Florida, Inc. (the "HOA"). In addition to the Master Amenities, residents of the Development will have exclusive use of a private pool and 1200 square foot clubhouse with exercise facility (collectively, the "Club Facilities"), which will be owned and maintained by the Huntington Village Residents Association, Inc. (the "HVRA"). The Club Facilities are currently in the planning stage and are anticipated to be completed in late 2019. The Club Facilities are being funded directly by the Huntington Developer, at a cost of approximately \$600,000, of which approximately \$150,000 has been spent to date. Residents of the Development are all members of the "Club at Huntington Village," by virtue of the recordation of a Declaration of Covenants, Conditions and Restrictions (the "Declaration"), which Declaration includes a club plan for use of the Club Facilities (the "Club Plan"). As members of the Club at Huntington Village, owners and residents within the Development are given membership rights to use the Club Facilities, such rights arising from the payment of monthly assessments. See "- Fees and Special Assessments" below.

Fees and Special Assessments

All landowners within the District are subject to annual ad valorem property taxes, non-ad valorem special assessments and homeowners' association fees, as described in more detail below.

The current millage rate for the area of the County where the District is located is approximately 15.42290 mills. Assuming an average home price of \$340,000 with a \$25,000 homestead exemption (\$315,000 taxable value), the annual ad valorem property tax would be approximately \$4,858.

In addition to the Series 2019 Special Assessments, all landowners within the District will be subject to annual assessments levied to fund the operation and maintenance of the District ("O&M Assessments"), which are derived from the District's annual budget for the administration of the District and operation and maintenance of the District owned infrastructure and are subject to change each year. As described herein, the Series 2019 Bonds will be secured by the applicable Series 2019 Special Assessments levied on lands within Assessment Area One and Assessment Area Two, respectively. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein.

Residents of the District are subject to both HOA fees and HVRA fees. The HVRA is responsible for the management of all association facilities and services within the Development, including repair and maintenance of sidewalks, bike trails, signage walls and mail kiosks. The HVRA also provides residents a "zero-maintenance" lifestyle, including complete exterior maintenance service (lawn and shrub care, fertilization, and pest control, and irrigation including water supply), annual power washing of sidewalks, driveways, patios and exterior house walls, exterior painting of homes every five years and cable and internet services provided by AT&T. The annual HVRA fee is currently \$3,588 per residential unit, regardless of product type, which includes required Club Plan fees. Various other one-time fees are assessed at the time of property transfer.

The HOA is responsible for the management of all association facilities and services within the Master Development, including repair and maintenance of common entries and community facilities within the Master Development. The annual HOA fee is currently \$860 per residential unit, regardless of product type.

The table below is a compilation of the estimated aforementioned annual ad valorem taxes, non-ad valorem special assessments and homeowners' association fees for the various product types subject to the Series 2019 Special Assessments.

Parcel/Product Type	Estimated Property Taxes*	Estimated HRVA Fee	Estimated HOA Fee	Estimated Series 2019 Special Assessments^{†^}	Estimated O&M Assessments	Total
A - 30' single family attached	\$3,470	\$3,588	\$860			
B - 30' single family attached	3,470	3,588	860			
C - 60' single family detached	4,241	3,588	860			
D - 30' single family attached	3,470	3,588	860			
E - 60' single family detached	4,241	3,588	860			
E - 75' single family detached	5,629	3,588	860			
F - 75' single family detached	5,629	3,588	860			

* Estimated property taxes based upon average home price of \$250,000 for a 30' single family attached unit, \$300,000 for a 60' single family detached unit, \$390,000 for a 75' single family detached unit and a \$25,000 homestead exemption.

† Subject to change based on final pricing of the Series 2019 Bonds.

^ This amount does not include allowance for early payment discount and collection charges. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" for a detailed breakdown of the Series 2019 Special Assessments.

Competition

The Development is expected to compete with various 55+ communities in the southern portion of Flagler County and the northern and central portions of Volusia County. The information below is a brief description of certain active 55+ communities within a 15-mile radius that the Developers believe pose the most direct competition to the Development.

Latitude Margaritaville

Latitude Margaritaville, located approximately 7.5 miles from the Development in Daytona Beach, offers villa homes, and 50' and 60' wide single family lots. Starting home prices range from approximately \$254,000 to \$275,000 for villa homes and \$299,000 to \$369,000 for single family homes.

Halifax Plantation

Halifax Plantation, located approximately 13 miles from the Development in Ormond Beach, offers villa homes and estate homes. Starting home prices range from approximately \$242,000 to \$275,000 for villa homes and \$315,000 to \$450,000 for estate homes.

Plantation Bay

Plantation Bay, located approximately 15 miles from the Development in Ormond Beach offers villa homes and single family homes. Starting home prices range from approximately \$230,000 to \$275,000 for villa homes and \$310,000 to \$637,000 for single family homes.

Mosaic

Mosaic, located approximately 10 miles from the Development in Daytona Beach offers conventional single family detached homes on multiple lot sizes. Starting home prices range from approximately \$265,000 to \$360,000.

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

THE DEVELOPERS

Huntington at Hunter's Ridge

The developer of Huntington at Hunter's Ridge is BADC Huntington Communities, LLC (the "Huntington Developer"), which is also the landowner of the lands within Huntington at Hunter's Ridge that have not yet been sold to homebuilders. The Huntington Developer is managed by the BADC Asset Managers, Inc. (the "Manager"). The largest member of the Huntington Developer is Weld Holdings, Ltd., a Texas limited partnership, which holds a 43.5% interest. The remaining members of the Huntington Developer each hold less than a 20% interest. Weld Holdings, Ltd., is a limited partnership between Weld Investment Corp., a Delaware corporation as the general partner and The Weld Trust as the limited partner. Weld Investment Corp. is a close corporation with Henry Weld Stewart, President and Treasurer, and Rose-May Stewart, Vice President and Secretary as the only directors and officers.

The Manager is controlled by two shareholders: The Weld Trust (Henry Weld Stewart) holding 60% of shares and Leeds Holdings/Southeast, Inc., a Florida corporation (Howard B. Lefkowitz, President) holding 40% of shares. Pursuant to the terms of an Amended and Restated Management Agreement between the Huntington Developer and Leeds Holdings/Southeast, Inc., a Florida corporation (in such capacity, the "Development Manager"), the Huntington Developer has engaged the Development Manager for the purpose of performing all duties related to the development, marketing and sale of lots in Huntington at Hunter's Ridge, for and on behalf of the Huntington Developer. The Development Manager utilizes a team of experienced real estate professionals located in Orlando, Florida, led by Mr. Howard B. Lefkowitz.

Howard B. Lefkowitz

Mr. Lefkowitz has over 40 years of experience in real estate construction and development in Florida. During his career, he has successfully owned and/or developed more than 30 large scale real estate projects. Mr. Lefkowitz holds degrees from the University of Florida in Gainesville, FL and the University of South Florida in Tampa, FL.

Below is a list of several of the projects acquired/entitled and/or developed by Mr. Lefkowitz and the Development Manager.

Westyn Bay: Consisting of 380 acres in the City of Ocoee, Orange County, Florida, the Development Manager acquired, entitled, developed and sold out the project consisting of 512 single family lots, 172 townhome lots, 20 acres of commercial usage and a \$1.5 million amenity complex. The Development Manager's role included negotiating contracts with Orange County and the adjoining developer for joint installation of 1.5 miles of offsite utility lines. Builders within the project included Beazer Homes, Transeastern Properties, Weekley Homes, and Monroe Prestige Development Group. Gross retail sellout was approximately \$50 million.

Legacy Park: Consisting of 217 acres in Polk County, Florida, the Development Manager assembled, acquired, entitled, developed and sold 557 single family lots, 270 townhome lots and two adjoining entitled but undeveloped residential parcels. The project included development of 2/3 of a mile of public boulevard and offsite utility facilities. The Development Manager was also responsible for coordinating with two adjoining development groups for cross-use of common roads and homeowners association improvements. Builders within the project included Transeastern Properties, KB Homes, Mercedes Homes, Colony Homes (Standard Pacific) and Beazer Homes. Gross retail sellout was approximately \$40 million.

Inman Groves: Consisting of 63 acres in Polk County, Florida, Inman Groves is located 1.5 miles south of US 192, on US 27. The Development Manager acquired, entitled and sold 243 fully approved, undeveloped, single family lots. The Builder within the project was Beazer Homes. Gross retail purchase price was approximately \$3 million.

Glenwood Springs: Consisting of 80 acres in the City of Deland, Volusia County, Florida, Glenwood Springs is located at the intersection of SR 15 and International Speedway Boulevard (US 92), adjoining the City of Deland. The Development Manager acquired, entitled, developed and sold the project consisting of 216 single family lots. Builders within the project included Masterpiece Homes of Florida, Orleans Homebuilders, and Gallery Homes of Deland. Gross retail sellout was approximately \$9.5 million.

Founders Ridge: Consisting of 335 acres in Lake County, Florida, Founders Ridge is a residential development entitled for 963 dwelling units. The project included annexation, zoning, and large-scale comprehensive plan changes in the City of Minneola, Florida, along with validation of community development district bonds. The project was sold undeveloped with projected retail revenues of approximately \$50 million.

Allen Plantation: Consisting of 228 acres in Citrus County, Florida, the Development Manager was responsible for the acquisition and entitlement for 822 dwelling units and eight acres of commercial property. Allen Plantation is an age-restricted community with significant common elements. The project required the validation of community development district bonds. While this project was fully entitled and prepared for development, it was subsequently

sold in a raw state to an investment group. Projected revenues for land development only are approximately \$35 million.

Henry Weld Stewart

The main principal and President of Weld Investment Corp., the general partner of Weld Holdings, Ltd., is Henry Weld Stewart. Mr. Stewart, a British national, has engaged in real estate development in the United States since 1989. He currently serves as President of the Manager, and as a director or officer of the following companies: British American Development Corporation; BADC Realty Management Corporation; Cervantes Ventures, Inc.; Parkway Management Corporation; QD Investors, LLC; Quixote Asset Management, LLC; and Weld Investment Corp. All of the foregoing companies are engaged in real estate and/or investment activities. Prior to 1989, Mr. Stewart was involved in resort development and operations in Europe. He attended Stonyhurst College in Lancashire, England, the British Institute in Sevilla, Spain, and the Menendez Pelavo International University in Santander, Spain.

Deerfield Estates

[NEED INFO]

BONDOWNERS' RISKS

There are certain risks inherent in an investment in bonds secured by special assessments levied by a public authority or governmental body in the State. Certain of these risks are described in other sections of this Limited Offering Memorandum. Certain additional risks are associated with the Series 2019 Bonds offered hereby. Investment in the Series 2019 Bonds poses certain economic risks. Prospective investors in the Series 2019 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 2019 Bonds and have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment. This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2019 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety for a more complete description of investment considerations relating to the Series 2019 Bonds.

1. Payment of debt service on the Series 2019 Bonds is primarily dependent upon timely payment by the [Developers] and subsequent landowners in the District of the Series 2019 Special Assessments. See "THE DEVELOPERS" herein. In the event of the institution of bankruptcy or similar proceedings with respect to the respective Developer or any other owner of benefited property, delays could occur in the payment of debt service on the Series 2019 Bonds as such bankruptcy could negatively impact the ability of: (i) the respective Developer and any other landowner being able to pay the Series 2019 Special Assessments; (ii) the Tax Collector to sell tax certificates in relation to such property with respect to the Series 2019 Special Assessments being collected pursuant to the Uniform Method; and (iii) the District to foreclose the lien of the Series 2019 Special Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of the Series 2019 Bonds under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by federal, state and local law and in the Indenture and the Series 2019 Bonds, including, without limitation, enforcement of the obligation to pay Series 2019 Special Assessments and the ability of the District to foreclose the lien of the Series 2019

Special Assessments if not being collected pursuant to the Uniform Method, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2019 Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The inability, either partially or fully, to enforce remedies available with respect to the Series 2019 Bonds could have a material adverse impact on the interest of the Owners thereof.

2. The principal security for the payment of the principal and interest on the Series 2019 Bonds is the timely collection of the Series 2019 Special Assessments. The Series 2019 Special Assessments do not constitute a personal indebtedness of the owners of the land subject thereto, but are secured by a lien on such land. There is no assurance that the owners will be able to pay the Series 2019 Special Assessments or that they will pay such Series 2019 Special Assessments even though financially able to do so. Beyond legal delays that could result from bankruptcy or other legal proceedings contesting an ad valorem tax or non-ad valorem assessment, the ability of the Tax Collector to sell tax certificates in regard to delinquent Series 2019 Special Assessments collected pursuant to the Uniform Method will be dependent upon various factors, including the interest rate which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates and which may be subject to sale at the demand of the certificate holder after two years. The assessment of the benefits to be received by the benefited land within the District as a result of implementation and development of the Projects is not indicative of the realizable or market value of the land, which value may actually be higher or lower than the assessment of benefits. To the extent that the realizable or market value of the land benefited by the Projects is lower than the assessment of benefits, the ability of the Tax Collector to sell tax certificates relating to such land or the ability of the District to realize sufficient value from a foreclosure action to pay debt service on the Series 2019 Bonds may be adversely affected. Such adverse effect could render the District unable to collect delinquent Series 2019 Special Assessments, if any, and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of debt service on the Series 2019 Bonds.

3. The development of the District 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 planned improvements, both public and private, and construction of the infrastructure in accordance with applicable zoning, land use and environmental regulations. Although all such approvals required to date have been received and any further approvals are anticipated to be received as needed, failure to obtain any such approvals in a timely manner could delay or adversely affect the completion of the Development. Moreover, the Developers have the right to modify or change their plans for development of the Development, from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size and number of units to be developed, and may seek in the future, in accordance with, and subject to the provisions of the Act, to contract or expand the boundaries of the District.

4. Neither the [Developers] nor any other landowner has any obligation to pay the Series 2019 Special Assessments. As described herein, the Series 2019 Special Assessments are an imposition against the land only. Neither the Developers nor any other landowner is a guarantor of payment of any Series 2019 Special Assessment and the recourse for the failure of

the Developers or any other landowner to pay the Series 2019 Special Assessments is limited to the collection proceedings against the land as described herein.

5. The willingness and/or ability of an owner of benefited land to pay the Series 2019 Special Assessments could be affected by the existence of other Taxes and Assessments imposed upon such property by the District, the County or any other local special purpose or general purpose governmental entities. County, school, special district taxes and special assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on debt, including the Series 2019 Special Assessments, collected pursuant to the Uniform Method are payable at one time. 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 on the property within the District. The District anticipates imposing operation and maintenance assessments encumbering the same property encumbered by the Series 2019 Special Assessments.

6. The Series 2019 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2019 Bonds in the event an Owner thereof determines to solicit purchasers of the Series 2019 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2019 Bonds may be sold. Such price may be lower than that paid by the current Owners of the Series 2019 Bonds, depending on the progress of development of the Development, existing market conditions and other factors.

7. In addition to legal delays that could result from bankruptcy or legal proceedings contesting an ad valorem tax or non-ad valorem assessment, the ability of the District to enforce collection of delinquent Series 2019 Special Assessments will be dependent upon various factors, including the delay inherent in any judicial proceeding to enforce the lien of the Series 2019 Special Assessments and the value of the land which is the subject of such proceedings and which may be subject to sale. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2019 BONDS" herein. If the District has difficulty in collecting the Series 2019 Special Assessments, the Series 2019 Area One Debt Service Reserve Account, the Series 2019A Area Two Debt Service Reserve Account and the Series 2019B Area Two Debt Service Reserve Account, as the case may be, could be rapidly depleted and the ability of the District to pay debt service could be materially adversely affected. In addition, during an Event of Default under the Indenture, the Trustee may withdraw moneys from the applicable Debt Service Reserve Account and such other Funds, Accounts and subaccounts created under the Indenture to pay its extraordinary fees and expenses incurred in connection with such Event of Default.

8. The value of the land within the District, the success of the development of the Development and the likelihood of timely payment of principal and interest on the Series 2019 Bonds could be affected by environmental factors with respect to the land in the District. Should the land be contaminated by hazardous materials, this could materially and adversely affect the value of the land in the District, which could materially and adversely affect the success of the development of the Development and the likelihood of the timely payment of the Series 2019 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. At the time of the delivery of the Series 2019 Bonds, the Developers will represent to the District that they are unaware of any condition which currently requires, or is reasonably expected to require in the foreseeable future, investigation or remediation under any applicable federal, state or local governmental laws or regulations relating to the environment, other than as generally described herein under "THE DEVELOPMENT - Environmental." Nevertheless, it

is possible that hazardous environmental conditions could exist within the District/Development and that such conditions could have a material and adverse impact upon the value of the benefited lands within the District. Consequently, no assurance can be given that unknown hazardous materials, protected animals, etc., do not currently exist or may not develop in the future whether originating within the District/Development or from surrounding property, and what effect such may have on the completion of the Development or the ability of the Developers to enter into contracts for the sale of lots within the Development to residential builders. See also "THE DEVELOPMENT - Builder Contracts" herein.

9. If the District should commence a foreclosure action against a landowner for nonpayment of applicable Series 2019 Special Assessments which are being collected off the roll and that are delinquent, such landowners may raise affirmative defenses to such foreclosure action, which although such affirmative defenses would likely be proven to be without merit, could result in delays in completing the foreclosure action. In addition, the District is required under the Indenture to fund the costs of such foreclosure. It is possible that the District will not have sufficient funds and will be compelled to request the applicable Series 2019 Bondholders to allow funds on deposit under the Indenture to be used to pay the costs of the foreclosure action. Under the Internal Revenue Code of 1986, as amended (the "Code"), there are limitations on the amounts of Series 2019 Bond proceeds that can be used for such purpose.

10. A past bankruptcy court decision in Florida held that only the governing body of such district could vote to approve a reorganization plan submitted by the developer/debtor in the case and thus, the bondholders of such district were not able to vote for or against the plan. The governing body of that district was affiliated with the debtor. As a result of the reorganization plan that was approved, the bondholders were denied payment of their bonds for over two years. Pursuant to the Indenture, the District acknowledges and agrees that, although the Series 2019 Bonds were issued by the District, the Owners of the Series 2019 Bonds are categorically the party with a financial stake in the transaction and, consequently, the party with a vested interest in a proceeding. In the event of any proceeding involving any Insolvent Taxpayer, the District agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any proceeding or in any action related to a proceeding that affects, either directly or indirectly, the Series 2019 Special Assessments, the Series 2019 Bonds or any rights of the Trustee under the Indenture that is inconsistent with any direction from the Trustee. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2019 BONDS - Provisions Relating to Bankruptcy or Insolvency of Landowner" herein.

11. 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 subsection, 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 IRS 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.

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." The proposed regulations were officially withdrawn on October 20, 2017.

It has been reported that the IRS has closed audits of other community development districts in Florida with no change to such districts' bonds' tax-exempt status, but has advised such districts that such districts must have public electors within five years of the issuance of tax-exempt bonds or their bonds may be determined to be taxable retroactive to the date of issuance. Pursuant to the Act, general elections are not held until the later of six years or when there are 250 qualified electors in the district. The District, unlike Village Center CDD, was formed with the intent that it will contain a sufficient number of residents to allow for a transition to control by a general electorate. [Currently, all members of the Board of the District were elected by the landowners and none were elected by qualified electors.] [CONFIRM] Each Developer will certify as to its expectations as to the timing of the transition of control of the Board of the District to qualified electors pursuant to the Act, and its expectations as to compliance with the Act by any members of the Board that they elect. Such certification by the Developers does not ensure that such certification shall be determinative of, or may influence the outcome of any audit by the IRS, or any appeal from such audit, that may result in an adverse ruling that the District is not a political subdivision for purposes of Section 103(a) of the Code. Further, there can be no assurance that an audit by the IRS of the Series

2019 Bonds will not be commenced. The District has no reason to believe that any such audit will be commenced, or that any such audit, if commenced, would result in a conclusion of noncompliance with any applicable state or federal law.

Owners of the Series 2019 Bonds are advised that, if the IRS does audit the Series 2019 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 2019 Bonds may have limited rights to participate in those proceedings. The commencement of such an audit could adversely affect the market value and liquidity of the Series 2019 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 2019 Bonds, it is unlikely the District will have available revenues to enable it to contest such determination or enter into a voluntary financial settlement with the IRS. Further, an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2019 Bonds would adversely affect the availability of any secondary market for the Series 2019 Bonds. Should interest on the Series 2019 Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2019 Bonds be required to pay income taxes on the interest received on such Series 2019 Bonds and related penalties, but because the interest rate on such Series 2019 Bonds will not be adequate to compensate Owners of the Series 2019 Bonds for the income taxes due on such interest, the value of the Series 2019 Bonds may decline.

THE INDENTURE DOES NOT PROVIDE FOR ANY ADJUSTMENT IN THE INTEREST RATE ON THE SERIES 2019 BONDS IN THE EVENT OF AN ADVERSE DETERMINATION BY THE IRS WITH RESPECT TO THE TAX-EXEMPT STATUS OF INTEREST ON THE SERIES 2019 BONDS. PROSPECTIVE PURCHASERS OF THE SERIES 2019 BONDS SHOULD EVALUATE WHETHER THEY CAN OWN THE SERIES 2019 BONDS IN THE EVENT THAT THE INTEREST ON THE SERIES 2019 BONDS BECOMES TAXABLE AND/OR THE DISTRICT IS EVER DETERMINED TO NOT BE A POLITICAL SUBDIVISION FOR PURPOSES OF THE CODE AND/OR SECURITIES ACT (AS HEREINAFTER DEFINED).

12. In addition to a possible determination by the IRS that the District is not a political subdivision for purposes of the Code, and regardless of the IRS determination, it is possible that federal or state regulatory authorities could also determine that the District is not a political subdivision for purposes of federal and state securities laws. Accordingly, the District and purchasers of Series 2019 Bonds may not be able to rely on the exemption from registration under the Securities Act of 1933, as amended (the "Securities Act"), relating to securities issued by political subdivisions. In that event, the Owners of the Series 2019 Bonds would need to ensure that subsequent transfers of the Series 2019 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act.

13. There is no assurance that a liquid secondary market will exist for the Series 2019 Bonds in the event a Beneficial Owner thereof determines to solicit purchasers for the Series 2019 Bonds it owns. Because the Series 2019 Bonds are being sold pursuant to exemptions from registration under applicable securities laws, no secondary market may develop and a Beneficial Owner may not be able to resell the Series 2019 Bonds. Even if a liquid secondary market develops and/or exists, as with any marketable securities, there can be no assurance as to the price for which the Series 2019 Bonds may be sold. Such price may be lower than that paid by the current Beneficial Owner of the Series 2019 Bonds, depending on the progress of the Development, existing real estate and financial market conditions and other factors.

14. Various proposals are mentioned from time to time by members of the Congress of the United States of America and others concerning reform of the internal revenue (tax) laws of the United States. In addition, the IRS may, in the future, issue rulings that have the effect of changing the interpretation of existing tax laws. Certain of these proposals and interpretations, if implemented or upheld, could have the effect of diminishing the value of obligations of states and their political subdivisions, such as the Series 2019 Bonds, by eliminating or changing the tax-exempt status of interest on certain of such bonds. Whether any of such proposals will ultimately become or be upheld as law, and if so, the effect such proposals could have upon the value of bonds such as the Series 2019 Bonds, cannot be predicted. However, it is possible that any such law or interpretation could have a material and adverse effect upon the availability of a liquid secondary market and/or the value of the Series 2019 Bonds. See also "TAX MATTERS."

15. It is impossible to predict what new proposals may be presented regarding ad valorem tax reform and/or community development districts during upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Florida Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. On October 31, 2014, the Auditor General of the State released a 31 page report which requests legislative action to establish parameters on the amount of bonds a community development district may issue and provide additional oversight for community development district bonds. This report renews requests made by the Auditor General in 2011 that led to the Governor of the State issuing an Executive Order on January 11, 2012 (the "Executive Order") directing the office of Policy and Budget in the Executive Office of the Governor ("OPB") to examine the role of special districts in the State. As of the date hereof, the OPB has not made any recommendations pursuant to the Executive Order nor has the Florida legislature passed any related legislation. It is impossible to predict with certainty the impact that any existing or future legislation will or may have on the security for the Series 2019 Bonds. It should be noted that Section 190.16(14) of the Act provides in pertinent part that "the state pledges to the holders of any bonds issued under the Act that it will not limit or alter the rights of the district to levy and collect the assessments and to fulfill the terms of any agreement made with the holders of such bonds and that will not impair the rights or remedies of such holders."

16. The successful sale of lots to homebuilders and the successful sale of residential units, in turn, by homebuilders to end users once homes are built within the District, may be affected by unforeseen changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Developers. Contracts that the Developers may have with individual homebuilders are subject to a myriad of contractual conditions, which if not complied with, may lead to termination of such contracts, causing the Developers to possibly need to execute a different strategy for the development and sale of finished lots. See "THE DEVELOPMENT - Builder Contracts" herein.

17. In the event a bank forecloses on property because of a default on a mortgage or the property and then the bank itself fails, the Federal Deposit Insurance Corporation (the "FDIC"), as receiver will then become the fee owner of such property. In such event, the FDIC will not, pursuant to its own rules and regulations, likely be liable to pay the Series 2019 Special Assessments. In addition, the District would require the consent of the FDIC prior to commencing a foreclosure action.

18. There can be no assurance, in the event the District does not have sufficient moneys on hand to complete the Projects, that the District will be able to raise through the

issuance of bonds, or otherwise, the moneys necessary to complete the Projects. Pursuant to the First Supplemental Indenture and Second Supplemental Indenture, the District will covenant not to cause or permit to be caused any lien, charge or claim against the applicable Pledged Revenues, except for refunding bonds. Further, pursuant to the First Supplemental Indenture, the District will covenant and agree that so long as the Series 2019 Area One Special Assessments have not been "Substantially Absorbed," it shall not issue any Bonds secured by Special Assessments for capital projects on lands subject at such time to the Series 2019 Area One Special Assessments without the consent of the Majority Owners of the Series 2019 Area One Bonds. Similarly, pursuant to the Second Supplemental Indenture, the District will covenant and agree that so long as the Series 2019A Area Two Special Assessments have not been "Substantially Absorbed" and the Series 2019B Area Two Bonds are Outstanding, it will not issue any Bonds secured by Special Assessments for capital projects on lands subject at such time to the Series 2019A Area Two Special Assessments without the consent of the Majority Owners of the Series 2019A Area Two Bonds. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2019 BONDS - Additional Bonds" for more information. The Developers will each enter into a completion agreement with the District with respect to any unfinished portions of the Projects not funded with the proceeds of the Series 2019 Bonds. In addition, the Developers will also each execute and deliver to the District a [Collateral Assignment and Assumption of Development Rights], pursuant to which such Developer will collaterally assign to the District, to the extent assignable and to the extent that they are solely owned or controlled by such Developer, certain of its development rights relating to the applicable Project and the applicable lands subject to the Series 2019 Special Assessments as security for such Developer's payment and performance and discharge of its obligation to pay the applicable Series 2019 Special Assessments. See "THE SERIES 2019 AREA ONE PROJECT AND SERIES 2019 AREA TWO PROJECT" and "THE DEVELOPMENT" herein for more information. In addition, lands within the Development are subject to a recorded Club Plan that burdens such lands as it relates to membership within the Club at Huntington Village and use of the Club Facilities, which will be owned by the HVRA. No rights related to the Club Plan or the Club Facilities are being assigned to the District or any other entity under the Collateral Assignment. See "THE DEVELOPMENT - Recreational Amenities" herein.

19. [NEED TO DISCUSS IF NEEDED] As noted herein under "THE DEVELOPMENT - Land Acquisition/Financing" there is an existing mortgage that burdens a portion of the District Lands in favor of NPC in connection with a loan that was given by NPC in favor of the Huntington Developer. Although the Series 2019 Special Assessments are considered to be superior to the lien of a conventional mortgage by operation of law, it is not unusual for mortgagees to raise defenses during a foreclosure action to protect their security interests, and similarly situated mortgagees have, in fact, raised defenses in the past in the context of a community development district foreclosing on a delinquent assessment lien (the "Mortgagee Defenses"). Such Mortgagee Defenses could affect the timing and/or outcome of an action by the District to foreclose on delinquent Series 2019 Special Assessments. In addition, NPC may have certain intangible rights assigned to it under the terms of the loan agreement relating to the Development which are superior to such intangible rights that might otherwise be assigned to the District under the terms of the Collateral Assignment.

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ESTIMATED SOURCES AND USES OF BOND PROCEEDS

<u>Source of Funds</u>	<u>Series 2019 Area One Bonds</u>	<u>Series 2019A Area Two Bonds</u>	<u>Series 2019B Area Two Bonds</u>	<u>Total</u>
Par Amount of Series 2019 Bonds				
Less/Plus Original Issue Discount/Bond Premium				
Total Sources				
<u>Uses of Funds</u>				
Deposit to Series 2019 Area One Acquisition and Construction Account				
Deposit to Series 2019 Area Two Acquisition and Construction Subaccount - Parcel D				
Deposit to Series 2019 Area Two Acquisition and Construction Subaccount - Parcel E				
Deposit to Series 2019 Area Two Acquisition and Construction Subaccount - Parcel F				
Deposit to Series 2019 Area One Debt Service Reserve Account				
Deposit to Series 2019A Area Two Debt Service Reserve Account				
Deposit to Series 2019B Area Two Debt Service Reserve Account				
Deposit to Series 2019 Area One Interest Account ⁽¹⁾				
Deposit to Series 2019A Area Two Interest Account ⁽²⁾				
Deposit to Series 2019B Area Two Interest Account ⁽³⁾				
Costs of Issuance ⁽⁴⁾				
Total Uses				

(1) Represents capitalized interest through [_____].

(2) Represents capitalized interest through [_____].

(3) Represents capitalized interest through [_____].

(4) Costs of issuance include, without limitation, underwriter's discount, legal fees and other costs associated with the issuance of the Series 2019 Bonds.

DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled debt service on the Series 2019 Bonds:

Period Ending <u>November 1st</u>	Series 2019 Area One Bonds		Series 2019A Area Two Bonds		Series 2019B Area Two Bonds		<u>Total</u>
	Principal	Interest	Principal	Interest	Principal	Interest	

TAX MATTERS

General

The Code establishes certain requirements which must be met subsequent to the issuance of the Series 2019 Bonds in order that interest on the Series 2019 Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2019 Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2019 Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2019 Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The District has covenanted in the Indenture with respect to the Series 2019 Bonds to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2019 Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2019 Bonds (including any original issue discount properly allocable to the owner thereof) is excluded from gross income for purposes of federal income taxation. Interest on the Series 2019 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. However, interest on the Series 2019 Bonds shall be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations for taxable years that begin prior to January 1, 2018. The alternative minimum tax on corporations was repealed for taxable years beginning on and after January 1, 2018.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2019 Bonds. Prospective purchasers of Series 2019 Bonds should be aware that the ownership of Series 2019 Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2019 Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on Series 2019 Bonds; (iii) the inclusion of interest on Series 2019 Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on Series 2019 Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on Series 2019 Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the District, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2019 Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2019 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE

FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDOWNERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDOWNERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Series 2019 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2019 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2019 Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2019 Bonds and proceeds from the sale of Series 2019 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2019 Bonds. This withholding generally applies if the owner of Series 2019 Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2019 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Other Tax Matters Relating to the Series 2019 Bonds

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 2019 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 2019 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 2019 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 2019 Bonds.

Prospective purchasers of the Series 2019 Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2019 Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

On February 22, 2016, the Internal Revenue Service ("IRS") issued a notice of proposed rulemaking containing proposed regulations (the "Proposed Regulations") that provide guidance as to the definition of a political subdivision for purposes of the rules for tax-exempt bonds. If adopted, the Proposed Regulations would have affected certain State and local governments that issue tax-exempt bonds, including community development districts such as the District. However, on July 24, 2017, in response to Executive Order 13789 issued by President Trump (the "Executive Order"), the Secretary of the Treasury (the "Secretary") identified the Proposed Regulations among a list of eight regulations that (i) impose an undue financial burden on U.S.

taxpayers; (ii) add undue complexity to the federal tax laws; or (iii) exceed the statutory authority of the IRS. On October 2, 2017, in his Second Report to the President on Identifying and Reducing Tax Regulatory Burdens, the Secretary reported that Treasury and the IRS believe that the Proposed Regulations should be withdrawn in their entirety, and the Treasury Department and the IRS withdrew the Proposed Regulations on October 20, 2017. The Secretary further provided that Treasury and the IRS will continue to study the legal issues relating to political subdivisions and may propose more targeted guidance in the future.

Because the Proposed Regulations have been withdrawn, it is not possible to determine the extent to which all or a portion of the discussion herein regarding the Villages and the Villages TAM (each as defined below) may continue to be applicable in the absence of further guidance from the IRS. Bond Counsel will render its opinion regarding the exclusion from gross income of interest on the Series 2019 Bonds as described below.

On May 30, 2013, the IRS delivered to Village Center CDD, a Florida special district established under Chapter 190, Florida Statutes, a private ruling, called a technical advice memorandum (the "Villages TAM"), in connection with the examination by the IRS of bonds issued by the Village Center CDD (the "Audited Bonds"). The Villages TAM concluded that, despite having certain eminent domain powers, the Village Center CDD is not a political subdivision permitted to issue tax-exempt bonds based on a number of facts including that its governing board is elected by a small group of landowners, and that it "was organized and operated to perpetuate private control and avoid indefinitely responsibility to a public electorate, either directly or through another elected state or local governmental body."

The Villages TAM, as a private, non-precedential, ruling, binds only the IRS and the Village Center CDD, and only in connection with the Audited Bonds. Moreover, the cited legal basis for the Villages TAM is extremely limited, and, therefore, the value of the Villages TAM as guidance is also limited. Nonetheless, the breadth and force of the language used in the Villages TAM may reflect the disfavor of the IRS toward governmental entities with governing boards elected by landowners, and this position may lead the enforcement branch of the IRS to select bonds of other issuers with landowner-controlled boards for examination.

In July 2016, the IRS closed the examination of the Audited Bonds with no change to their tax-exempt status. Although the audit was closed with no adverse impact on the Audited Bonds, the IRS's motivations and rationale for closing the examination are unknown. The Village Center CDD refunded the Audited Bonds with taxable bonds in 2014.

Unlike the board of the Village Center CDD, the Board of Supervisors of the District is elected by the landowners residing in the District. The Act, which contains the uniform statutory charter for all community development districts and by which the District is governed, delegates to the District certain traditional sovereign powers including, but not limited to, eminent domain, ad valorem taxation and regulatory authority over rates, fees and charges for district facilities. It does not appear from the facts and circumstances that the District was organized to avoid indefinitely responsibility to a public electorate. On the basis of the foregoing and other factors, Bond Counsel has concluded that under current law the District is a political subdivision for purposes of Section 103 of the Code, notwithstanding that its Board of Supervisors is temporarily elected by landowners. Bond counsel intends to deliver its unqualified approving opinion in the form attached hereto as "APPENDIX C: PROPOSED FORM OF OPINION OF BOND COUNSEL."

The release of the Villages TAM may cause an increased risk of examination of the Series 2019 Bonds. Owners of the Series 2019 Bonds are advised that if the IRS does audit the Series 2019 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 2019 Bonds may have limited rights to participate in such procedure. The Indenture does not provide for any adjustment to the interest rates borne by the Series 2019 Bonds in the event of a change in the tax-exempt status of the Series 2019 Bonds. The commencement of an audit or an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2019 Bonds could adversely impact both liquidity and pricing of the Series 2019 Bonds in the secondary market.

Tax Treatment of Original Issue Discount

Under the Code, the difference between the maturity amount of the Series 2018 Bond maturing on _____ 1, 20__ (the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount Bonds in the initial offering at a price equal to 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 he or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the 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. Bondowners of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.

Tax Treatment of Bond Premium

The difference between the principal amount of the Series 2019 Bonds maturing on _____ 1, 20__ (collectively, the "Premium Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Premium Bonds of the same maturity, and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such 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 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.

Bondowners of the Premium Bonds are advised that they should consult with their own tax 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 requires that the District make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served only as a conduit issuer such as industrial development or private activity bonds issued on behalf of private business). The District has not previously issued any bonds or other indebtedness and is not and has not ever been in default as to principal and interest on its bonds or other debt obligations.

VALIDATION

The Series 2019 Bonds are a portion of the Bonds that were validated by a Final Judgment of the Circuit Court of the Seventh Judicial Circuit of Florida, in and for Flagler County, Florida, entered on November 19, 2014. The period during which an appeal can be taken has expired.

LITIGATION

The District

[CONFIRM] 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 2019 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 of the District, nor the title of the present members of the Board has been challenged.

From time to time, the District expects to experience routine litigation and claims incidental to the conduct of its affairs. In the opinion of District Counsel, there are no actions presently pending or threatened, the adverse outcome of which would have a material adverse effect on the availability of the applicable Pledged Revenues or the ability of the District to pay the applicable Series of Series 2019 Bonds from the applicable Pledged Revenues.

The Developers

In connection with the issuance of the Series 2019 Bonds, each of the Developers will represent to the District that there is no litigation of any nature now pending or, to the knowledge of such Developer, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of such Developer to complete the Development as described herein, materially and adversely affect the ability of such Developer to pay the applicable Series 2019 Special Assessments imposed against the land within the District owned by such Developer or materially and adversely affect the ability of such Developer to perform its various obligations described in this Limited Offering Memorandum.

CONTINUING DISCLOSURE

To assist the Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "Rule"), simultaneously with the issuance of the Series 2019 Bonds, the District, the Huntington Developer and Wrathell, Hunt & Associates, LLC, as dissemination agent (the "Huntington Dissemination Agent") will enter into a Continuing Disclosure Agreement substantially in the form attached hereto as APPENDIX E (the "Huntington Disclosure Agreement"). In addition, simultaneously with the issuance of the Series 2019 Bonds, the District, the Deerfield Developer and Wrathell, Hunt & Associates, LLC, as dissemination agent (the "Deerfield Dissemination Agent" and together with the Huntington Dissemination Agent, the "Dissemination Agent") will enter into a Continuing Disclosure Agreement substantially in the form attached hereto as APPENDIX E (the "Deerfield Disclosure Agreement" and together with the Huntington Disclosure Agreement, the "Disclosure Agreements"). The District and each Developer, each as an "obligated person" under the Rule, have covenanted in the respective Disclosure Agreement to provide certain financial information and operating data relating to the Series 2019 Bonds (the "Report"), and to provide notices of the occurrence of certain enumerated events. The Report and notices of certain enumerated events, when and if they occur, shall be timely filed by the District and each Developer, in conjunction with the respective Dissemination Agent under the respective Disclosure Agreement with the Electronic Municipal Market Access system ("EMMA"). The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details of the District's and each Developer's respective undertakings are more fully described in "APPENDIX E - FORMS OF CONTINUING DISCLOSURE AGREEMENTS" attached hereto. Under certain circumstances, the failure of the District or the respective Developer to comply with their respective obligations under the Disclosure Agreements constitutes an event of default thereunder. Such a default will not constitute an Event of Default under the Indenture, but such event of default under the respective Disclosure Agreement would allow the Series 2019 Bondholders (including owners of beneficial interests in such Series 2019 Bonds), as applicable, to bring an action to compel performance.

With respect to the Series 2019 Bonds, no parties other than the District and each Developer are obligated to provide, nor are expected to provide, any continuing disclosure information.

[CONFIRM] Since this is the first bond issuance for the District, the District has not previously entered into any continuing disclosure undertakings as an obligated person during the past five (5) fiscal years. In addition, neither Developer has previously entered into any continuing disclosure undertakings as an obligated person during the past five (5) fiscal years.

UNDERWRITING

FMSbonds, Inc. (the "Underwriter") will agree, pursuant to a contract to be entered into with the District, subject to certain conditions, to purchase the Series 2019 Bonds from the District at a purchase price of \$_____ (representing the par amount of the Series 2019 Bonds, less an Underwriter's discount of \$_____ and less/plus a net original issue discount/premium of \$_____). See "ESTIMATED SOURCES AND USES OF BOND PROCEEDS" herein. The Underwriter's obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all the Series 2019 Bonds if any are purchased.

The Underwriter intends to offer the Series 2019 Bonds at the offering prices set forth on the inside cover page of this Limited Offering Memorandum, which may subsequently change without prior notice. The Underwriter may offer and sell the Series 2019 Bonds to certain dealers (including dealers depositing the Series 2019 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 2019 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 Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, as to the validity of the Series 2019 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, Cobb Cole, P.A., Deland, Florida, for the Huntington Developer by its counsel, Cobb Cole, P.A., Deland, Florida, [for the Deerfield Developer by its counsel, _____, _____, _____,] for the Trustee by its counsel, Holland & Knight, LLP, Miami, Florida, and for the Underwriter by its counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida.

AGREEMENT BY THE STATE

Under the Act, the State pledges to the holders of any bonds issued thereunder, including the Series 2019 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 INFORMATION

To date, the District has not met the requirements necessary under Florida law to prepare audited financial statements. However, the District has covenanted in the forms of Continuing Disclosure Agreements set forth in APPENDIX E attached hereto to provide its annual audited financial statements to certain information repositories as described in APPENDIX E, commencing with the audit for the District fiscal year ended [September 30, 2019]. The Series 2019 Bonds are not general obligation bonds of the District and are payable solely from the applicable Pledged Revenues. See "CONTINUING DISCLOSURE" herein.

EXPERTS AND CONSULTANTS

The references herein to Zev Cohen & Associates, Inc., as District Engineer have been approved by said firm. The Engineer's Report prepared by such firm has 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 Report do not purport to be adequate summaries of the Projects or complete in all respects. Such Engineer's 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.

The references herein to Wrathell, Hunt & Associates, LLC, as Assessment Consultant have been approved by said firm. The Methodology Report prepared by such firm 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 Methodology Report do not purport to be adequate summaries of such Methodology Report or complete in all respects. Such Methodology 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.

DISCLOSURE OF MULTIPLE ROLES

Prospective Bondholders should note that: (i) Wrathell, Hunt & Associates, LLC, serves as both District Manager and Assessment Consultant, responsible for the administrative operations of the District and preparation of the Methodology Report attached hereto as APPENDIX D; and (ii) Cobb Cole, P.A., Deland, Florida, serves as District Counsel and Huntington Developer's Counsel.

CONTINGENT AND OTHER FEES

The District has retained Bond Counsel, District 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 2019 Bonds. Except for the payment of fees to District Counsel and the Assessment Consultant, the payment of the fees of the other professionals retained by the District is each contingent upon the issuance of the Series 2019 Bonds.

NO RATING OR CREDIT ENHANCEMENT

No application for credit enhancement or a rating on the Series 2019 Bonds has been made, nor is there any reason to believe that the District would have been successful in obtaining either for the Series 2019 Bonds had application been made.

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 2019 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 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 expression of opinion herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the District or the Development from the date hereof. However, certain parties to the transaction will, on the closing date of the Series 2019 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 2019 Bonds that there has been no material adverse change in the information provided.

[Remainder of Page Intentionally Left Blank]

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

**HUNTER'S RIDGE COMMUNITY
DEVELOPMENT DISTRICT NO. 1**

By: _____
Name: Howard Lefkowitz
Its: Chair

APPENDIX A

Engineer's Report

APPENDIX B

Methodology Report

APPENDIX C

Forms of Master Indenture, First Supplemental Indenture, Second Supplemental Indenture and Third Supplemental Indenture

APPENDIX D

Form of Opinion of Bond Counsel

APPENDIX E

Forms of Continuing Disclosure Agreements

APPENDIX F

Bond Coverage Map

HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1

12D

CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (the "**Disclosure Agreement**") dated as of [Closing Date] is executed and delivered by **HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1** (the "**District**"), [____], a [____] and [____], a [____] (collectively, the "**Developer**"), and **WRATHELL, HUNT & ASSOCIATES, LLC**, a Florida limited liability company (the "**Dissemination Agent**") in connection with the issuance by the District of its \$_____ Special Assessment Bonds, Series 2019 (Assessment Area One) (the "**Series 2019 Area One Bonds**"), \$_____ Special Assessment Bonds, Series 2019A (Assessment Area Two) (the "**Series 2019A Area Two Bonds**") and \$_____ Special Assessment Bonds, Series 2019B (Assessment Area Two) (the "**Series 2019B Area Two Bonds**" and together with the Series 2019 Area One Bonds and the Series 2019A Area Two Bonds, the "**Bonds**"). The Bonds are being issued pursuant to a Master Trust Indenture dated as of January 1, 2019 (the "**Master Indenture**"), as supplemented by a First Supplemental Trust Indenture dated as of January 1, 2019, with respect to the Series 2019 Area One Bonds (the "**First Supplemental Indenture**"), a Second Supplemental Trust Indenture dated as of January 1, 2019, with respect to the Series 2019A Area Two Bonds (the "**Second Supplemental Indenture**"), and a Third Supplemental Trust Indenture dated as of January 1, 2019, with respect to the Series 2019B Area Two Bonds (the "**Third Supplemental Indenture**" and collectively with the First Supplemental Indenture, the Second Supplemental Indenture and the Master Indenture, the "**Indenture**") each between the District and U.S. Bank National Association, as trustee (the "**Trustee**"). The District, the Developer and the Dissemination Agent covenant and agree as follows:

1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the District, the Developer and the Dissemination Agent for the benefit of the Owners of the Bonds, from time to time, to assist the Participating Underwriter in complying with the applicable provisions of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("**SEC**") pursuant to the Securities Exchange Act of 1934, as amended from time to time (the "**Rule**").

The District, the Developer and the Dissemination Agent have 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 or a governmental regulatory agency that the Rule requires the District, the Developer or the Dissemination Agent (as the case may be) to provide additional information, the District, the Developer and the Dissemination Agent, as applicable, agree to promptly provide such additional information.

The provisions of this Disclosure Agreement are supplemental and in addition to the provisions of the Indenture with respect to reports, filings and notifications provided for therein, and do not in any way relieve the District, 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 District, the Trustee or any other person from making any reports, filings or notifications required by the Indenture or any applicable law.

2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

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

"Annual Filing Date" means the date set forth in Section 4(a) hereof by which the Annual Report is to be filed with the Repository.

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

"Assessments" shall mean the non-ad valorem special assessments pledged to the payment of the Bonds pursuant to the Indenture.

"Audited Financial Statements" means the financial statements (if any) of the District 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)(B) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

"Beneficial Owners" 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 Bond for federal income tax purposes.

"Business Day" means a day other than (a) a Saturday, Sunday or day on which banks located in the city in which the designated corporate trust office of the Trustee and Paying Agent 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.

"Development" shall have the meaning ascribed to such term in the Limited Offering Memorandum.

"Disclosure Representative" shall mean (a) as to the District, the District Manager or its designee, or such other person as the District shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person responsible for providing information to the Dissemination Agent; (b) as to the Developer, the individual(s) executing this Disclosure Agreement on behalf of the Developer or such person(s) as the Developer shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent; and (c) as to any Landowner other than the Developer, such person(s) as the Landowner shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent.

"Dissemination Agent" shall mean the District or an entity appointed by the District to act in the capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the District pursuant to Section 10 hereof. Wrathell, Hunt & Associates, LLC, has been designated as the initial Dissemination Agent hereunder.

"District Manager" shall mean the person or entity serving as District Manager from time to time.

"**EMMA**" means the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule.

"**Event of Bankruptcy**" shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an 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 Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental 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 Obligated Person.

"**Fiscal Year**" shall mean the fiscal year of the District, which is 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.

"**Landowner**" means each owner of District Lands, which, along with its affiliates, successors, and assigns (excluding residential homebuyers), is responsible for payment of at least twenty percent (20%) of the Assessments; provided as of the date of the execution and delivery of this Disclosure Agreement, the Developer is the only Landowner.

"**Limited Offering Memorandum**" shall mean the Limited Offering Memorandum dated [BPA Date] prepared in connection with the issuance of the Bonds.

"**Listed Event**" shall mean any of the events listed in Section 7(a) of this Disclosure Agreement.

"**MSRB**" shall mean the Municipal Securities Rulemaking Board.

"**MSRB Website**" shall mean www.emma.msrb.org.

"**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 District, and for purposes of this Disclosure Agreement only, each Landowner.

"**Owners**" shall have the meaning ascribed thereto in the Indenture with respect to the Bonds and shall include Beneficial Owners of the Bonds.

"**Participating Underwriter**" shall mean FMSbonds, Inc., in its capacity as the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"**Quarterly Filing Date**" means the dates set forth in Section 6 hereof by which Quarterly Reports are required to be filed with the Repository.

"Quarterly Report" shall mean any Quarterly Report provided by the Developer or any Landowner, its successors or assigns pursuant to, and as described in, Sections 5 and 6 of this Disclosure Agreement.

"Repository" shall mean each entity authorized and approved by the SEC 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 the MSRB Website.

"State" shall mean the State of Florida.

3. Content of Annual Reports.

(a) The Annual Report shall contain or incorporate by reference Annual Financial Information with respect to the District, which includes an update of the financial and operating data of the District to the extent presented in the Limited Offering Memorandum, including:

- (i) The amount of Assessments levied for the most recent Fiscal Year;
- (ii) The amount of Assessments collected from property owners during the most recent Fiscal Year and the principal amount of Assessments assigned to platted units;
- (iii) The amount of delinquencies greater than 150 calendar days and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of Assessments due in any year, a list of delinquent property owners;
- (iv) The amount of tax certificates sold for lands within the District, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year;
- (v) The balances in all Funds and Accounts for the Bonds. The District shall provide any Owners and the Dissemination Agent with this information more frequently than annually and within thirty (30) calendar days of the date of any written request from the Owners or the Dissemination Agent;
- (vi) The total amount of Bonds Outstanding;
- (vii) The amount of principal and interest due on the Bonds in the current Fiscal Year;
- (viii) The most recent Audited Financial Statements of the District; and
- (ix) Any amendment or waiver of the provisions hereof as described in Section 11 hereof.

To the extent any of the items set forth in subsections (i) through (vii) above are included in the Audited Financial Statements referred to in subsection (viii) above, they do not have to be separately set forth. Any or all of the items listed above may be incorporated by specific reference to documents available to the public on the MSRB Website or filed with the SEC,

including offering documents of debt issues of the District or related public entities, which have been submitted to the Repository. The District shall clearly identify any document incorporated by reference.

(b) The District represents and warrants that it 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 acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the District 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 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.

4. Provision of Annual Reports.

(a) Subject to the following sentence, the District shall provide the Annual Report to the Dissemination Agent no later than March 30th after the close of the Fiscal Year, commencing with the Fiscal Year ended September 30, 2019 (the "**Annual Filing Date**"), in an electronic format as prescribed by the Repository. 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 3(a) of this Disclosure Agreement; provided that the Audited Financial Statements may be submitted separately from the balance of the Annual Report and later than the date required above, but in no event later than the date required to be filed with the State pursuant to applicable State law (currently within nine (9) months of the end of the District's Fiscal Year), if they are not available by the Annual Filing Date. If the Audited Financial Statements are not available at the time of the filing of the Annual Report, unaudited financial statements are required to be delivered as part of the Annual Report in a format similar to the Audited Financial Statements. If the District's Fiscal Year changes, the District shall give notice of such change in the same manner as for a Listed Event under Section 7(a).

(b) If on the fifteenth (15th) calendar day prior to each Annual Filing Date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Disclosure Representative of the District by telephone and in writing (which may be by e-mail) to remind the District of its undertaking to provide the Annual Report pursuant to Section 4(a) above. Upon such reminder, the Disclosure Representative of the District, shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report in accordance with Section 4(a) above, or (ii) instruct the Dissemination Agent in writing that the District will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 7(a)(xvii) has occurred and to immediately send a notice to any Repository in electronic format as required by such Repository in substantially the form attached as Exhibit A hereto.

- (c) The Dissemination Agent shall:
- (i) determine each year prior to the date for providing the Annual Report the name, address and filing requirements of any Repository; and
 - (ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the District certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing any Repository to which it was provided.

5. Content of Quarterly Reports.

(a) Each Quarterly Report shall contain the following information with respect to the lands owned by the Developer in the Development if such information is not otherwise provided pursuant to subsection (b) of this Section 5:

- (i) A description of the infrastructure improvements needed for the Development that have been completed and that are currently under construction, including the improvements financed by the Bonds;
- (ii) The percentage of the improvements financed by the Bonds that has been completed;
- (iii) The number of assessable residential units planned on property subject to the Assessments;
- (iv) The number of residential units closed with retail end users to the knowledge of the Developer and to the extent such information is made available to the Developer;
- (v) The number of residential units under contract with retail end users to the knowledge of the Developer and to the extent such information is made available to the Developer;
- (vi) The number of residential units under contract with builders, together with the name of each builder;
- (vii) The number of residential units closed with builders, together with the name of each builder;
- (viii) The estimated date of complete build-out of residential units;
- (ix) Whether the Developer has made any bulk sale of the land subject to the Assessments other than as contemplated by the Limited Offering Memorandum;
- (x) The status of development approvals for the Development;
- (xi) Materially adverse changes or determinations to permits or approvals for the Development which necessitate changes to the Developer's land-use or other plans for the Development;

(xii) Updated plan of finance for the Development (i.e., status of any credit enhancement, issuance of additional bonds to complete project, draw on credit line of Developer or an affiliate, additional mortgage debt, etc.);

(xiii) Any event that has a material adverse impact on the implementation of the Development as described in the Limited Offering Memorandum or on the Developer's ability to undertake the Development as described in the Limited Offering Memorandum; and

(xiv) Any amendment or waiver of the provisions hereof as described in Section 11 hereof.

(b) Any of the items listed in subsection (a) above may be incorporated by reference from other documents which are available to the public on the MSRB Website or filed with the SEC. The Developer shall clearly identify each such other document so incorporated by reference.

(c) The Developer represents and warrants that it 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 Developer acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the Developer 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 Developer or others as thereafter disseminated by the Dissemination Agent.

(d) If the Developer sells, assigns or otherwise transfers ownership of real property in the Development to a third party, which will in turn be an Obligated Person for purposes of this Disclosure Agreement as a result thereof (a "**Transfer**"), the Developer hereby agrees to require such third party to assume the disclosure obligations of the Developer hereunder for so long as such third party is an Obligated Person hereunder, to the same extent as if such third party were a party to this Disclosure Agreement. The Developer involved in such Transfer shall promptly notify the District and the Dissemination Agent in writing of the Transfer. For purposes of Sections 5, 6 and 7 hereof, the term "**Developer**" shall be deemed to include each of the Developer and any third party that becomes an Obligated Person hereunder as a result of a Transfer. In the event that the Developer remains an Obligated Person hereunder following any Transfer, nothing herein shall be construed to relieve the Developer from their obligations hereunder.

6. Provision of Quarterly Reports.

(a) The Developer, so long as it is an Obligated Person for purposes of this Disclosure Agreement, shall provide a Quarterly Report to the Dissemination Agent no later than January 31 (for each calendar quarter ending December 31), April 30 (for each calendar quarter ending March 31), July 31 (for each calendar quarter ending June 30), and October 31 (for each calendar quarter ending September 30) after the end of each calendar quarter commencing with the calendar quarter ending March 31, 2019; provided, however, that so long as any Developer is a reporting company, such dates shall be extended to the date of filing of its respective 10-K or 10-Q, if later, as the case may be (each, a "**Quarterly Filing Date**"). At such time as the Developer is no longer an Obligated Person, the Developer will no longer be obligated to prepare any Quarterly Report pursuant to this Disclosure Agreement. The

Dissemination Agent shall immediately file the Quarterly Report upon receipt from the Developer with each Repository.

(b) If on the seventh (7th) calendar day prior to each Quarterly Filing Date the Dissemination Agent has not received a copy of the Quarterly Report due on such Quarterly Filing Date, the Dissemination Agent shall contact the Disclosure Representative of the Developer by telephone and in writing (which may be by e-mail) to remind the Developer of its undertaking to provide the Quarterly Report pursuant to Section 6(a) above. Upon such reminder, the Disclosure Representative of the Developer shall either (i) provide the Dissemination Agent with an electronic copy of the Quarterly Report in accordance with Section 6(a) above, or (ii) instruct the Dissemination Agent in writing that the Developer will not be able to file the Quarterly Report within the time required under this Disclosure Agreement and state the date by which such Quarterly Report will be provided. If the Dissemination Agent has not received a Quarterly Report that contains the information in Section 5 of this Disclosure Agreement by the Quarterly Filing Date, a Listed Event described in Section 7(a)(xvii) shall have occurred and the District and the Developer hereby direct the Dissemination Agent to immediately send a notice to each Repository in electronic format as required by such Repository, no later than the following Business Day in substantially the form attached as Exhibit A hereto, with a copy to the District.

(c) The Dissemination Agent shall:

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

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Developer and the District stating that the Quarterly Report has been provided pursuant to this Disclosure Agreement and stating the date(s) it was provided.

7. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 7, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds and the Developer shall give, or cause to be given, notice of the occurrence of items (x), (xii), (xiii) and (xvii) of the following 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 the occurrence of the event, with the exception of the event described in item (xvii) below, which notice shall be given in a timely manner:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves 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 the holders of the Bonds, 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) ratings changes†;
- (xii) an Event of Bankruptcy or similar event of an Obligated Person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the 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 a trustee, if material;
- (xv) occurrence of an Event of Default under the Indenture (other than as described in clause (i) above);
- (xvi) any amendment to the Indenture or this Disclosure Agreement modifying the rights of the Owners of the Bonds;
- (xvii) notice of any failure on the part of the District to meet the requirements of Sections 3(a) and 4 hereof or of the Developer to meet the requirements of Sections 5(a) and 6 hereof;
- (xviii) the termination of the District's or the Developer's obligations under this Disclosure Agreement prior to the final maturity of the Bonds, pursuant to Section 9 hereof; and
- (xix) any amendment to the accounting principles to be followed by the District in preparing its financial statements, as required by Section 11 hereof.

* There is no credit enhancement for the Bonds.

† There is no rating for the Bonds.

(b) The notice required to be given in paragraph 7(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository.

8. Identifying Information. In accordance with the Rule, all disclosure filings submitted pursuant to this Disclosure Agreement to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but not be limited to:

- (a) the category of information being provided;
- (b) the period covered by any Annual Financial Information, financial statement or other financial information or operation data;
- (c) the issues or specific securities to which such documents are related (including CUSIP numbers, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);
- (d) the name of any Obligated Person other than the District;
- (e) the name and date of the document being submitted; and
- (f) contact information for the submitter.

9. Termination of Disclosure Agreement. The District's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, so long as there is no remaining liability of the District, or if the Rule is repealed or no longer in effect. The Developer's obligations under this Disclosure Agreement shall terminate at such time as the Developer is no longer an Obligated Person. If any such termination occurs prior to the final maturity of the Bonds, the District and/or the Developer shall give notice of such termination in the same manner as for a Listed Event under Section 7.

10. Dissemination Agent. The District will either serve as the initial Dissemination Agent or appoint one under this Disclosure Agreement. Upon termination of the Dissemination Agent's services as Dissemination Agent, whether by notice of the District or the Dissemination Agent, the District 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 Owners of the Bonds. If at any time there is not any other designated Dissemination Agent, the District shall be deemed to be the Dissemination Agent. Notwithstanding any replacement or appointment of a successor, the District shall remain liable until payment in full for any and all sums owed and payable to the Dissemination Agent hereunder. The initial Dissemination Agent shall be Wrathell, Hunt & Associates, LLC. The acceptance of such designation is evidenced by the execution of this Disclosure Agreement by a duly authorized signatory of Wrathell, Hunt & Associates, LLC. Wrathell, Hunt & Associates, LLC, may terminate its role as Dissemination Agent at any time upon delivery of written notice to the District and the Developer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District or the Developer pursuant to this Disclosure Agreement.

11. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the District, the Developer and the Dissemination Agent may amend this

Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3(a), 4, 5(a), 6 or 7, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District and/or the Developer, or the type of business conducted;

(b) The Disclosure Agreement, as amended or taking into account such waiver, would in the opinion of counsel expert in federal securities laws, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the holders or Beneficial Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of holders or Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interest of the holders or Beneficial Owners of the Bonds.

Notwithstanding the foregoing, the District, the Developer and the Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the SEC from time to time.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the District and/or the Developer shall describe such amendment in its next 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 District and the Developer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (a) notice of such change shall be given in the same manner as for a Listed Event; and (b) 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.

12. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the District or the Developer 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, Quarterly Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the District or the Developer chooses to include any information in any Annual Report, Quarterly Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District or the Developer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Quarterly Report or notice of occurrence of a Listed Event.

13. Default. In the event of a failure of the District, the Developer, the Disclosure Representative of the District, the Disclosure Representative of the Developer or a 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 more than 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 by court order, to cause the District, the Developer, the Disclosure Representative of the District, the Disclosure Representative of the Developer or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. 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 District, the Developer, the Disclosure Representative of the District, the Disclosure Representative of the Developer or the Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

14. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement between the District 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, the Developer and the applicable Disclosure Representative agree 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 and the Developer each acknowledge and agree that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, the Developer, the applicable 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, the Developer or the applicable 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. Anything herein to the contrary notwithstanding, in the event that the applicable Disclosure Representative and the Dissemination Agent are the same party, such party's limited duties in their capacity as Dissemination Agent, as described hereinabove, shall not in any way relieve or limit such party's duties in their capacity as Disclosure Representative under this Disclosure Agreement.

15. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Developer, the Dissemination Agent, the Trustee, the Participating Underwriter and Beneficial Owners of the Bonds (the Participating Underwriter and Beneficial 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.

16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

17. Governing Law. This Disclosure Agreement shall be governed by the laws of the State and federal law.

18. Trustee Cooperation. The District represents that the Dissemination Agent is a bona fide agent of the District and directs the Trustee to deliver to the Dissemination Agent at the expense of the District any information or reports it requests that the District has a right to request from the Trustee (inclusive of balances, payments, etc.) that are readily available to the Trustee.

19. 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 Landowner or any assignee or successor thereto that becomes an Obligated Person pursuant to the terms of this Disclosure Agreement, only successors or assignees to such parties who are, by definition, Obligated Persons, shall be bound or benefited by this Disclosure Agreement.

20. Undertakings. The Developer represents that it has instituted internal processes to provide information to the Dissemination Agent on a timely basis and obtained assurances from the Dissemination Agent that they will in turn request the required reporting information timely and file such information timely with the appropriate Repository.

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**SIGNATURE PAGE TO
CONTINUING DISCLOSURE AGREEMENT
(Hunter's Ridge Community Development District No. 1)**

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

ATTEST:

**HUNTER'S RIDGE COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Secretary/Assistant Secretary

By: _____
Howard Lefkowitz, Chair,
Board of Supervisors

[SEAL]

**[INSERT SIGNATURE BLOCKS FOR
DEVELOPER]**

WRATHELL, HUNT & ASSOCIATES, LLC,
and its successors and assigns,
as Dissemination Agent

By: _____
Name: _____
Title: _____

[Signatures Continue on Following Page]

Consented and agreed to by:

WRATHELL, HUNT & ASSOCIATES, LLC,
and its successors and assigns,
as District Manager

By: _____
Name: _____
Title: _____

Acknowledged and agreed to for purposes of
Sections 13, 15 and 18 only:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Amanda Kumar, Vice President

**EXHIBIT A TO
CONTINUING DISCLOSURE AGREEMENT
(Hunter's Ridge Community Development District No. 1)**

**NOTICE TO REPOSITORIES
OF FAILURE TO FILE ANNUAL REPORT/QUARTERLY REPORT**

Name of District: Hunter's Ridge Community Development District No. 1

Obligated Person(s): Hunter's Ridge Community Development District No. 1
[_____]
[_____]

Name of Bond Issue: \$_____ Hunter's Ridge Community Development District No. 1
Special Assessment Bonds, Series 2019 (Assessment Area One)

\$_____ Hunter's Ridge Community Development District No. 1
Special Assessment Bonds, Series 2019A (Assessment Area Two)

\$_____ Hunter's Ridge Community Development District No. 1
Special Assessment Bonds, Series 2019B (Assessment Area Two)

Date of Issuance: [Closing Date]

CUSIPs: [_____]

NOTICE IS HEREBY GIVEN that the [District] [Developer] has not provided an [Annual Report] [Quarterly Report] [Audited Financial Statements] with respect to the above-named Bonds as required by [Section 4] [Section 6] of the Continuing Disclosure Agreement dated [Closing Date], among the District, the Developer and the Dissemination Agent named therein. The [District] [Developer] has advised the undersigned that it anticipates that the [Annual Report] [Quarterly Report] [Audited Financial Statements] will be filed by _____, 20____.

Dated: _____

_____, as Dissemination Agent,
on behalf of the District

cc: [District] [Developer]
Participating Underwriter

CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT (the "**Disclosure Agreement**") dated as of [Closing Date] is executed and delivered by **HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1** (the "**District**"), **BADC HUNTINGTON COMMUNITIES, LLC**, a Florida limited liability company (the "**Developer**"), and **WRATHELL, HUNT & ASSOCIATES, LLC**, a Florida limited liability company (the "**Dissemination Agent**") in connection with the issuance by the District of its \$_____ Special Assessment Bonds, Series 2019 (Assessment Area One) (the "**Series 2019 Area One Bonds**"), \$_____ Special Assessment Bonds, Series 2019A (Assessment Area Two) (the "**Series 2019A Area Two Bonds**") and \$_____ Special Assessment Bonds, Series 2019B (Assessment Area Two) (the "**Series 2019B Area Two Bonds**" and together with the Series 2019 Area One Bonds and the Series 2019A Area Two Bonds, the "**Bonds**"). The Bonds are being issued pursuant to a Master Trust Indenture dated as of January 1, 2019 (the "**Master Indenture**"), as supplemented by a First Supplemental Trust Indenture dated as of January 1, 2019, with respect to the Series 2019 Area One Bonds (the "**First Supplemental Indenture**"), a Second Supplemental Trust Indenture dated as of January 1, 2019, with respect to the Series 2019A Area Two Bonds (the "**Second Supplemental Indenture**"), and a Third Supplemental Trust Indenture dated as of January 1, 2019, with respect to the Series 2019B Area Two Bonds (the "**Third Supplemental Indenture**" and collectively with the First Supplemental Indenture, the Second Supplemental Indenture and the Master Indenture, the "**Indenture**") each between the District and U.S. Bank National Association, as trustee (the "**Trustee**"). The District, the Developer and the Dissemination Agent covenant and agree as follows:

1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the District, the Developer and the Dissemination Agent for the benefit of the Owners of the Bonds, from time to time, to assist the Participating Underwriter in complying with the applicable provisions of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("**SEC**") pursuant to the Securities Exchange Act of 1934, as amended from time to time (the "**Rule**").

The District, the Developer and the Dissemination Agent have 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 or a governmental regulatory agency that the Rule requires the District, the Developer or the Dissemination Agent (as the case may be) to provide additional information, the District, the Developer and the Dissemination Agent, as applicable, agree to promptly provide such additional information.

The provisions of this Disclosure Agreement are supplemental and in addition to the provisions of the Indenture with respect to reports, filings and notifications provided for therein, and do not in any way relieve the District, 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 District, the Trustee or any other person from making any reports, filings or notifications required by the Indenture or any applicable law.

2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

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

"Annual Filing Date" means the date set forth in Section 4(a) hereof by which the Annual Report is to be filed with the Repository.

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

"Assessments" shall mean the non-ad valorem special assessments pledged to the payment of the Bonds pursuant to the Indenture.

"Audited Financial Statements" means the financial statements (if any) of the District 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)(B) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

"Beneficial Owners" 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 Bond for federal income tax purposes.

"Business Day" means a day other than (a) a Saturday, Sunday or day on which banks located in the city in which the designated corporate trust office of the Trustee and Paying Agent 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.

"Development" shall have the meaning ascribed to such term in the Limited Offering Memorandum.

"Disclosure Representative" shall mean (a) as to the District, the District Manager or its designee, or such other person as the District shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person responsible for providing information to the Dissemination Agent; (b) as to the Developer, the individual(s) executing this Disclosure Agreement on behalf of the Developer or such person(s) as the Developer shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent; and (c) as to any Landowner other than the Developer, such person(s) as the Landowner shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent.

"Dissemination Agent" shall mean the District or an entity appointed by the District to act in the capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the District pursuant to Section 10 hereof. Wrathell, Hunt & Associates, LLC, has been designated as the initial Dissemination Agent hereunder.

"District Manager" shall mean the person or entity serving as District Manager from time to time.

"**EMMA**" means the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule.

"**Event of Bankruptcy**" shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an 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 Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental 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 Obligated Person.

"**Fiscal Year**" shall mean the fiscal year of the District, which is 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.

"**Landowner**" means each owner of District Lands, which, along with its affiliates, successors, and assigns (excluding residential homebuyers), is responsible for payment of at least twenty percent (20%) of the Assessments; provided as of the date of the execution and delivery of this Disclosure Agreement, the Developer is the only Landowner.

"**Limited Offering Memorandum**" shall mean the Limited Offering Memorandum dated [BPA Date] prepared in connection with the issuance of the Bonds.

"**Listed Event**" shall mean any of the events listed in Section 7(a) of this Disclosure Agreement.

"**MSRB**" shall mean the Municipal Securities Rulemaking Board.

"**MSRB Website**" shall mean www.emma.msrb.org.

"**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 District, and for purposes of this Disclosure Agreement only, each Landowner.

"**Owners**" shall have the meaning ascribed thereto in the Indenture with respect to the Bonds and shall include Beneficial Owners of the Bonds.

"**Participating Underwriter**" shall mean FMSbonds, Inc., in its capacity as the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"**Quarterly Filing Date**" means the dates set forth in Section 6 hereof by which Quarterly Reports are required to be filed with the Repository.

"Quarterly Report" shall mean any Quarterly Report provided by the Developer or any Landowner, its successors or assigns pursuant to, and as described in, Sections 5 and 6 of this Disclosure Agreement.

"Repository" shall mean each entity authorized and approved by the SEC 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 the MSRB Website.

"State" shall mean the State of Florida.

3. Content of Annual Reports.

(a) The Annual Report shall contain or incorporate by reference Annual Financial Information with respect to the District, which includes an update of the financial and operating data of the District to the extent presented in the Limited Offering Memorandum, including:

- (i) The amount of Assessments levied for the most recent Fiscal Year;
- (ii) The amount of Assessments collected from property owners during the most recent Fiscal Year and the principal amount of Assessments assigned to platted units;
- (iii) The amount of delinquencies greater than 150 calendar days and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of Assessments due in any year, a list of delinquent property owners;
- (iv) The amount of tax certificates sold for lands within the District, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year;
- (v) The balances in all Funds and Accounts for the Bonds. The District shall provide any Owners and the Dissemination Agent with this information more frequently than annually and within thirty (30) calendar days of the date of any written request from the Owners or the Dissemination Agent;
- (vi) The total amount of Bonds Outstanding;
- (vii) The amount of principal and interest due on the Bonds in the current Fiscal Year;
- (viii) The most recent Audited Financial Statements of the District; and
- (ix) Any amendment or waiver of the provisions hereof as described in Section 11 hereof.

To the extent any of the items set forth in subsections (i) through (vii) above are included in the Audited Financial Statements referred to in subsection (viii) above, they do not have to be separately set forth. Any or all of the items listed above may be incorporated by specific reference to documents available to the public on the MSRB Website or filed with the SEC,

including offering documents of debt issues of the District or related public entities, which have been submitted to the Repository. The District shall clearly identify any document incorporated by reference.

(b) The District represents and warrants that it 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 acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the District 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 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.

4. Provision of Annual Reports.

(a) Subject to the following sentence, the District shall provide the Annual Report to the Dissemination Agent no later than March 30th after the close of the Fiscal Year, commencing with the Fiscal Year ended September 30, 2019 (the "**Annual Filing Date**"), in an electronic format as prescribed by the Repository. 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 3(a) of this Disclosure Agreement; provided that the Audited Financial Statements may be submitted separately from the balance of the Annual Report and later than the date required above, but in no event later than the date required to be filed with the State pursuant to applicable State law (currently within nine (9) months of the end of the District's Fiscal Year), if they are not available by the Annual Filing Date. If the Audited Financial Statements are not available at the time of the filing of the Annual Report, unaudited financial statements are required to be delivered as part of the Annual Report in a format similar to the Audited Financial Statements. If the District's Fiscal Year changes, the District shall give notice of such change in the same manner as for a Listed Event under Section 7(a).

(b) If on the fifteenth (15th) calendar day prior to each Annual Filing Date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Disclosure Representative of the District by telephone and in writing (which may be by e-mail) to remind the District of its undertaking to provide the Annual Report pursuant to Section 4(a) above. Upon such reminder, the Disclosure Representative of the District, shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report in accordance with Section 4(a) above, or (ii) instruct the Dissemination Agent in writing that the District will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 7(a)(xvii) has occurred and to immediately send a notice to any Repository in electronic format as required by such Repository in substantially the form attached as Exhibit A hereto.

- (c) The Dissemination Agent shall:
- (i) determine each year prior to the date for providing the Annual Report the name, address and filing requirements of any Repository; and
 - (ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the District certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing any Repository to which it was provided.

5. Content of Quarterly Reports.

(a) Each Quarterly Report shall contain the following information with respect to the lands owned by the Developer in the Development if such information is not otherwise provided pursuant to subsection (b) of this Section 5:

- (i) A description of the infrastructure improvements needed for the Development that have been completed and that are currently under construction, including the improvements financed by the Bonds;
- (ii) The percentage of the improvements financed by the Bonds that has been completed;
- (iii) The number of assessable residential units planned on property subject to the Assessments;
- (iv) The number of residential units closed with retail end users to the knowledge of the Developer and to the extent such information is made available to the Developer;
- (v) The number of residential units under contract with retail end users to the knowledge of the Developer and to the extent such information is made available to the Developer;
- (vi) The number of residential units under contract with builders, together with the name of each builder;
- (vii) The number of residential units closed with builders, together with the name of each builder;
- (viii) The estimated date of complete build-out of residential units;
- (ix) Whether the Developer has made any bulk sale of the land subject to the Assessments other than as contemplated by the Limited Offering Memorandum;
- (x) The status of development approvals for the Development;
- (xi) Materially adverse changes or determinations to permits or approvals for the Development which necessitate changes to the Developer's land-use or other plans for the Development;

(xii) Updated plan of finance for the Development (i.e., status of any credit enhancement, issuance of additional bonds to complete project, draw on credit line of Developer or an affiliate, additional mortgage debt, etc.);

(xiii) Any event that has a material adverse impact on the implementation of the Development as described in the Limited Offering Memorandum or on the Developer's ability to undertake the Development as described in the Limited Offering Memorandum; and

(xiv) Any amendment or waiver of the provisions hereof as described in Section 11 hereof.

(b) Any of the items listed in subsection (a) above may be incorporated by reference from other documents which are available to the public on the MSRB Website or filed with the SEC. The Developer shall clearly identify each such other document so incorporated by reference.

(c) The Developer represents and warrants that it 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 Developer acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the Developer 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 Developer or others as thereafter disseminated by the Dissemination Agent.

(d) If the Developer sells, assigns or otherwise transfers ownership of real property in the Development to a third party, which will in turn be an Obligated Person for purposes of this Disclosure Agreement as a result thereof (a "**Transfer**"), the Developer hereby agrees to require such third party to assume the disclosure obligations of the Developer hereunder for so long as such third party is an Obligated Person hereunder, to the same extent as if such third party were a party to this Disclosure Agreement. The Developer involved in such Transfer shall promptly notify the District and the Dissemination Agent in writing of the Transfer. For purposes of Sections 5, 6 and 7 hereof, the term "**Developer**" shall be deemed to include each of the Developer and any third party that becomes an Obligated Person hereunder as a result of a Transfer. In the event that the Developer remains an Obligated Person hereunder following any Transfer, nothing herein shall be construed to relieve the Developer from their obligations hereunder.

6. Provision of Quarterly Reports.

(a) The Developer, so long as it is an Obligated Person for purposes of this Disclosure Agreement, shall provide a Quarterly Report to the Dissemination Agent no later than January 31 (for each calendar quarter ending December 31), April 30 (for each calendar quarter ending March 31), July 31 (for each calendar quarter ending June 30), and October 31 (for each calendar quarter ending September 30) after the end of each calendar quarter commencing with the calendar quarter ending March 31, 2019; provided, however, that so long as any Developer is a reporting company, such dates shall be extended to the date of filing of its respective 10-K or 10-Q, if later, as the case may be (each, a "**Quarterly Filing Date**"). At such time as the Developer is no longer an Obligated Person, the Developer will no longer be obligated to prepare any Quarterly Report pursuant to this Disclosure Agreement. The

Dissemination Agent shall immediately file the Quarterly Report upon receipt from the Developer with each Repository.

(b) If on the seventh (7th) calendar day prior to each Quarterly Filing Date the Dissemination Agent has not received a copy of the Quarterly Report due on such Quarterly Filing Date, the Dissemination Agent shall contact the Disclosure Representative of the Developer by telephone and in writing (which may be by e-mail) to remind the Developer of its undertaking to provide the Quarterly Report pursuant to Section 6(a) above. Upon such reminder, the Disclosure Representative of the Developer shall either (i) provide the Dissemination Agent with an electronic copy of the Quarterly Report in accordance with Section 6(a) above, or (ii) instruct the Dissemination Agent in writing that the Developer will not be able to file the Quarterly Report within the time required under this Disclosure Agreement and state the date by which such Quarterly Report will be provided. If the Dissemination Agent has not received a Quarterly Report that contains the information in Section 5 of this Disclosure Agreement by the Quarterly Filing Date, a Listed Event described in Section 7(a)(xvii) shall have occurred and the District and the Developer hereby direct the Dissemination Agent to immediately send a notice to each Repository in electronic format as required by such Repository, no later than the following Business Day in substantially the form attached as Exhibit A hereto, with a copy to the District.

(c) The Dissemination Agent shall:

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

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Developer and the District stating that the Quarterly Report has been provided pursuant to this Disclosure Agreement and stating the date(s) it was provided.

7. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 7, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds and the Developer shall give, or cause to be given, notice of the occurrence of items (x), (xii), (xiii) and (xvii) of the following 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 the occurrence of the event, with the exception of the event described in item (xvii) below, which notice shall be given in a timely manner:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves 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 the holders of the Bonds, 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) ratings changes†;
- (xii) an Event of Bankruptcy or similar event of an Obligated Person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the 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 a trustee, if material;
- (xv) occurrence of an Event of Default under the Indenture (other than as described in clause (i) above);
- (xvi) any amendment to the Indenture or this Disclosure Agreement modifying the rights of the Owners of the Bonds;
- (xvii) notice of any failure on the part of the District to meet the requirements of Sections 3(a) and 4 hereof or of the Developer to meet the requirements of Sections 5(a) and 6 hereof;
- (xviii) the termination of the District's or the Developer's obligations under this Disclosure Agreement prior to the final maturity of the Bonds, pursuant to Section 9 hereof; and
- (xix) any amendment to the accounting principles to be followed by the District in preparing its financial statements, as required by Section 11 hereof.

* There is no credit enhancement for the Bonds.

† There is no rating for the Bonds.

(b) The notice required to be given in paragraph 7(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository.

8. Identifying Information. In accordance with the Rule, all disclosure filings submitted pursuant to this Disclosure Agreement to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but not be limited to:

- (a) the category of information being provided;
- (b) the period covered by any Annual Financial Information, financial statement or other financial information or operation data;
- (c) the issues or specific securities to which such documents are related (including CUSIP numbers, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);
- (d) the name of any Obligated Person other than the District;
- (e) the name and date of the document being submitted; and
- (f) contact information for the submitter.

9. Termination of Disclosure Agreement. The District's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, so long as there is no remaining liability of the District, or if the Rule is repealed or no longer in effect. The Developer's obligations under this Disclosure Agreement shall terminate at such time as the Developer is no longer an Obligated Person. If any such termination occurs prior to the final maturity of the Bonds, the District and/or the Developer shall give notice of such termination in the same manner as for a Listed Event under Section 7.

10. Dissemination Agent. The District will either serve as the initial Dissemination Agent or appoint one under this Disclosure Agreement. Upon termination of the Dissemination Agent's services as Dissemination Agent, whether by notice of the District or the Dissemination Agent, the District 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 Owners of the Bonds. If at any time there is not any other designated Dissemination Agent, the District shall be deemed to be the Dissemination Agent. Notwithstanding any replacement or appointment of a successor, the District shall remain liable until payment in full for any and all sums owed and payable to the Dissemination Agent hereunder. The initial Dissemination Agent shall be Wrathell, Hunt & Associates, LLC. The acceptance of such designation is evidenced by the execution of this Disclosure Agreement by a duly authorized signatory of Wrathell, Hunt & Associates, LLC. Wrathell, Hunt & Associates, LLC, may terminate its role as Dissemination Agent at any time upon delivery of written notice to the District and the Developer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District or the Developer pursuant to this Disclosure Agreement.

11. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the District, the Developer and the Dissemination Agent may amend this

Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3(a), 4, 5(a), 6 or 7, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District and/or the Developer, or the type of business conducted;

(b) The Disclosure Agreement, as amended or taking into account such waiver, would in the opinion of counsel expert in federal securities laws, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the holders or Beneficial Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of holders or Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interest of the holders or Beneficial Owners of the Bonds.

Notwithstanding the foregoing, the District, the Developer and the Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the SEC from time to time.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the District and/or the Developer shall describe such amendment in its next 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 District and the Developer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (a) notice of such change shall be given in the same manner as for a Listed Event; and (b) 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.

12. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the District or the Developer 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, Quarterly Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the District or the Developer chooses to include any information in any Annual Report, Quarterly Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District or the Developer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Quarterly Report or notice of occurrence of a Listed Event.

13. Default. In the event of a failure of the District, the Developer, the Disclosure Representative of the District, the Disclosure Representative of the Developer or a 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 more than 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 by court order, to cause the District, the Developer, the Disclosure Representative of the District, the Disclosure Representative of the Developer or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. 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 District, the Developer, the Disclosure Representative of the District, the Disclosure Representative of the Developer or the Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

14. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement between the District 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, the Developer and the applicable Disclosure Representative agree 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 and the Developer each acknowledge and agree that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, the Developer, the applicable 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, the Developer or the applicable 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. Anything herein to the contrary notwithstanding, in the event that the applicable Disclosure Representative and the Dissemination Agent are the same party, such party's limited duties in their capacity as Dissemination Agent, as described hereinabove, shall not in any way relieve or limit such party's duties in their capacity as Disclosure Representative under this Disclosure Agreement.

15. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Developer, the Dissemination Agent, the Trustee, the Participating Underwriter and Beneficial Owners of the Bonds (the Participating Underwriter and Beneficial 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.

16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

17. Governing Law. This Disclosure Agreement shall be governed by the laws of the State and federal law.

18. Trustee Cooperation. The District represents that the Dissemination Agent is a bona fide agent of the District and directs the Trustee to deliver to the Dissemination Agent at the expense of the District any information or reports it requests that the District has a right to request from the Trustee (inclusive of balances, payments, etc.) that are readily available to the Trustee.

19. 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 Landowner or any assignee or successor thereto that becomes an Obligated Person pursuant to the terms of this Disclosure Agreement, only successors or assignees to such parties who are, by definition, Obligated Persons, shall be bound or benefited by this Disclosure Agreement.

20. Undertakings. The Developer represents that it has instituted internal processes to provide information to the Dissemination Agent on a timely basis and obtained assurances from the Dissemination Agent that they will in turn request the required reporting information timely and file such information timely with the appropriate Repository.

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**SIGNATURE PAGE TO
CONTINUING DISCLOSURE AGREEMENT
(Hunter's Ridge Community Development District No. 1)**

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

ATTEST:

**HUNTER'S RIDGE COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Secretary/Assistant Secretary

By: _____
Howard Lefkowitz, Chair,
Board of Supervisors

[SEAL]

**BADC HUNTINGTON COMMUNITIES,
LLC**, a Florida limited liability company

By: BADC Asset Managers, Inc.,
a Florida corporation
Its Manager

By: _____
Howard B. Lefkowitz, Vice President

**WRATHELL, HUNT & ASSOCIATES,
LLC**, and its successors and assigns,
as Dissemination Agent

By: _____
Name: _____
Consented and agreed to by:

**WRATHELL, HUNT & ASSOCIATES,
LLC**, and its successors and assigns,
as District Manager

By: _____
Name: _____
Title: _____

Acknowledged and agreed to for purposes of
Sections 13, 15 and 18 only:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Amanda Kumar, Vice President

**EXHIBIT A TO
CONTINUING DISCLOSURE AGREEMENT
(Hunter's Ridge Community Development District No. 1)**

**NOTICE TO REPOSITORIES
OF FAILURE TO FILE ANNUAL REPORT/QUARTERLY REPORT**

Name of District: Hunter's Ridge Community Development District No. 1

Obligated Person(s): Hunter's Ridge Community Development District No. 1
BADC Huntington Communities, LLC

Name of Bond Issue: \$_____ Hunter's Ridge Community Development District No. 1
Special Assessment Bonds, Series 2019 (Assessment Area One)

\$_____ Hunter's Ridge Community Development District No. 1
Special Assessment Bonds, Series 2019A (Assessment Area Two)

\$_____ Hunter's Ridge Community Development District No. 1
Special Assessment Bonds, Series 2019B (Assessment Area Two)

Date of Issuance: [Closing Date]

CUSIPs: [_____]

NOTICE IS HEREBY GIVEN that the [District] [Developer] has not provided an [Annual Report] [Quarterly Report] [Audited Financial Statements] with respect to the above-named Bonds as required by [Section 4] [Section 6] of the Continuing Disclosure Agreement dated [Closing Date], among the District, the Developer and the Dissemination Agent named therein. The [District] [Developer] has advised the undersigned that it anticipates that the [Annual Report] [Quarterly Report] [Audited Financial Statements] will be filed by _____, 20____.

Dated: _____

_____, as Dissemination Agent,
on behalf of the District

cc: [District] [Developer]
Participating Underwriter

**HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1**

13B

fmsbonds
Municipal Bond Specialists

20660 W. Dixie Highway
North Miami Beach, FL 33180

November 20, 2018

Hunter's Ridge Community Development District No. 1
Wrathell, Hunt & Associates
6131 Lyons Road, Suite # 100
Coconut Creek, Florida 33073
Attn: Mr. Craig Wrathell

Re: Agreement for Underwriter Services & G-17 Disclosure

Dear Mr. Wrathell:

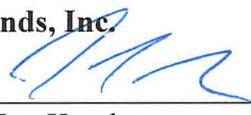
Thank you for the opportunity to work with the Hunter's Ridge Community Development District No. 1 (the "District") regarding the underwriting of the District's Special Assessment Bonds, Series 2019 and future series of bonds (the "Bonds"). The District and FMSbonds, Inc. ("FMS"), solely in its capacity as Underwriter, agree to the proposed terms set forth herein in Attachment I. By executing this letter both parties agree to the terms set forth herein.

FMS's role is limited to act as Underwriter within the Scope of Services set forth herein as Attachment I, and not as a financial advisor or municipal advisor. FMS is not acting as a municipal advisor for the developer in connection with the subject transaction. Any information that FMS has previously provided was solely for discussion purposes in anticipation of being retained as your underwriter. Attachment II, attached hereto, contains the Municipal Securities Rulemaking Rule Board Rule G-17 Disclosure that the District should read in its entirety and acknowledge by signing below.

We look forward to working with you.

Yours truly,

FMSbonds, Inc.

By: 

Name: Jon Kessler

Title: Executive Director

Agreed to and accepted as of the date first written above:

**HUNTER'S RIDGE COMMUNITY
DEVELOPMENT DISTRICT NO. 1**

By: _____
Name: _____
Title: _____

ATTACHMENT I

Section 1 **Scope of Services of FMS:** FMS proposes that its duties as Underwriter shall be limited to the following:

1. To provide advice to the District on the structure, timing and terms of the Bonds;
2. To coordinate the financing process;
3. To conduct due diligence;
4. To assist in the preparation of an offering memorandum;
5. To review the assessment methodology and Bond documents;
6. To market and offer Bonds to investors.

Section 2 **Terms and Conditions:**

1. Underwriter Fee (“Underwriting Fee”). FMS shall act as sole lead underwriter. The Underwriting Fee to FMS for acting as Underwriter shall be 2.5% of the Par Amount of any Bonds issued. The Underwriting Fee shall be due and payable only upon the closing of the Bonds. The Underwriting Fee may be modified pursuant to a bond delegation or award resolution approved by the Board and consented to by the Underwriter.
2. Price and Interest Rates: The offering price and interest rates are expected to be based on recent comparable transactions in the market, if any. FMS and the District will jointly determine the offering price and interest rates immediately prior to the start of the order period, based on market conditions then prevailing.
3. Bond Purchase Agreement. The obligations of the Underwriter and those of the District would be subject to the satisfactory completion of due diligence and to the customary representations, warranties, covenants, conditions, including provisions respecting its termination contained in the form of a bond purchase agreement FMS will prepare and as generally used in connection with the offering of Bonds for this type of transaction.
4. Costs of Issuance. The District shall be responsible for the payment of all expenses relating to the offering, including but not limited to, attorney fees, consultant fees, costs associated with preparing offering documents, if any, the purchase agreement, regulatory fees and filing fees and expenses for qualification under blue sky laws designated by FMS and approved by the District.
5. Assumptions. The proposed terms and statements of intention set forth in this agreement are based on information currently available to FMS about the District and

the market for special assessment bonds similar to the Bonds and the assumptions that:

- a) the financial condition and history of the project shall be substantially as understood, and the financial information for the relevant and appropriate period ended to be included in the final offering memorandum will not vary materially from those set forth in the material furnished to FMS;
 - b) no adverse developments shall occur which materially and adversely affect the underlying security and financial condition of the district;
 - c) the offering memorandum will comply with all applicable laws and regulations;
 - d) there will not be any unanticipated substantial delays on the part of the District in completing the transaction; and
 - e) all conditions of the Underwriter to purchase Bonds will be included in the bond purchase agreement and conditions shall be satisfied or waived, in the sole discretion of the Underwriter.
6. Information. The District agrees to reasonably and actively assist FMS in achieving an underwriting that is satisfactory to FMS and the District. To assist FMS in the underwriting the District will (a) provide and cause the District's staff and its professionals to provide FMS upon request with all information reasonably deemed necessary by FMS to complete the underwritings, included but not limited to, information and evaluations prepared by the District and its advisors; and (b) otherwise assist FMS in its underwriting efforts.
7. Term of Engagement. The term of this Agreement shall commence as of the date of this Agreement and continue in full force and effect unless terminated by either party. In event of termination by the District without cause, FMS shall be entitled to recover its reasonable out of pocket expenses incurred up to the date of termination.
8. No Commitment. Notwithstanding the foregoing, nothing herein shall constitute an agreement to provide a firm commitment, underwriting or placement or arrangement of any securities by FMS or its affiliates. Any such commitment, placement or arrangement shall only be made a part of an underwriting agreement or purchase agreement at the time of the sale of the bonds.

The engagement contemplated hereby and this agreement are solely for the benefit of the District and FMS and their respective successors, assigns and representatives and no other person or entity shall acquire or have any right under or by virtue hereof.

This Agreement contains the entire understanding of the parties relating to the transactions contemplated hereby and this Agreement supersedes all prior agreements, understandings and negotiations with respect thereto. This Agreement may be executed in counterparts each of which shall be an original but all of such counterparts shall constitute one and the same instrument.

9. No Financial Advisor. FMS's role is limited to that of an Underwriter and not a Financial Advisor or Municipal Advisor

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ATTACHMENT II

MSRB Rule G-17 Disclosure --- The District has engaged FMS to serve as underwriter, and not as a financial advisor or municipal advisor, in connection with the issuance of the Bonds. As part of our services as underwriter, FMS may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds. We may also have provided such advice as part of the process of seeking to be selected to serve as your underwriter. Any such advice was provided by FMS as an underwriter and not as your financial advisor in this transaction.

Pursuant to the Notice, we are required by the MSRB to advise you that:

- MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors.
- The underwriter's primary role is to purchase the Bonds with a view to distribution in an arm's-length commercial transaction with the Issuer. As such, the underwriter has financial and other interests that differ from those of the Issuer.
- Unlike a municipal advisor, the underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and are, therefore, not required by federal law to act in the best interests of the Issuer without regard to their own financial or other interests.
- The underwriter has a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with its duty to sell the Bonds to investors at prices that are fair and reasonable.
- As underwriter, we will review the disclosure document for the Bonds in accordance with, and as part of, our responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.¹

The underwriter will be compensated by a fee and/or a fee that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since an underwriter may have an incentive to recommend a transaction that is unnecessary or to recommend that the size of a transaction be larger than is necessary. The District acknowledges no such recommendation has been made by FMS.

¹ Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the offering document by the underwriters is solely for purposes of satisfying the underwriters' obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the offering document.

Please note nothing in this letter is an expressed nor an implied commitment by us to provide financing or to purchase or place the Bonds or any other securities. Any such commitment shall only be set forth in a bond purchase agreement or other appropriate form of agreement for the type of transaction undertaken by you.

Further, our participation in the transaction contemplated herein remains subject to, among other things, the execution of a bond purchase agreement (or other appropriate form of agreement), further internal review and approvals, satisfactory completion of our due diligence investigation and market conditions.

FMS is acting independently in seeking to act as an underwriter in the transactions contemplated herein and shall not be deemed for any purpose to be acting as an agent, joint venturer or partner of any other principal involved in the proposed financing. FMS assumes no responsibility, express or implied, for any actions or omissions of, or the performance of services by, the other underwriters in connection with the transactions contemplated herein or otherwise.

If you or any other Issuer representatives have any questions or concerns about these disclosures, please make those questions or concerns known immediately to FMS. In addition, Issuer should consult with its own financial, municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate. Depending on the final structure of the transaction that the District and FMS decide to pursue, or if additional actual or perceived material conflicts are identified, we may be required to send you additional disclosures.

HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1

13C

BOND COUNSEL AGREEMENT

This Bond Counsel Agreement is entered into this 5th day of December, 2018, by and between the **HUNTER'S RIDGE COMMUNITY DEVELOPMENT DISTRICT NO. 1**, a community development district organized and existing under the provisions of Chapter 190, Florida Statutes, as amended (the "District"), and **BRYANT MILLER OLIVE P.A.**, a Florida professional service corporation ("BMO").

W I T N E S S E T H:

WHEREAS, the District plans to issue its revenue bonds (the "Bonds") to finance the acquisition, construction and equipping of certain assessable capital improvements benefiting residents of the District; and

WHEREAS, the District desires to engage BMO as bond counsel in connection with the issuance and sale of the Bonds, on the terms and conditions hereinafter set forth; and

WHEREAS, BMO desires to accept engagement as bond counsel for the District in connection with the issuance and sale of the Bonds, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises, which shall be deemed an integral part of this Agreement, and of the covenants and agreements herein contained, the District and BMO, both intending to be legally bound hereby, agree as follows:

1. BOND COUNSEL.

1.1. Duties. BMO shall serve as bond counsel to the District in connection with the issuance of the Bonds. The duties of BMO as bond counsel shall include the following:

1.1.1. Prepare all indentures, including a Master Indenture and Supplemental Indenture with respect to the Bonds, and other documents relating to the Bonds, said duty to be performed in cooperation with the financial advisors and/or underwriters engaged by the District.

1.1.2. Review all disclosure documents, including official statements, prepared or authorized by the District insofar as such documents contain descriptions of the Bonds and summaries of contracts or other documents relevant to the Bonds; provided, however, that BMO shall have no responsibility for the disclosure documents insofar as such documents describe the financial circumstances of the offering or any other statistical projects or data, and provided further, that BMO shall have no responsibility to the purchasers of the Bonds for state or federal securities law compliance in connection with the offering of the Bonds.

1.1.3. Review all underwriters' proposals as requested by the District, prepare all closing documents, and attend and be responsible for the closing, as well as attending rating agency meetings if requested by the District and attend drafting and informational meetings regarding the Bonds;

1.1.4. Render opinions in written form at the time the Bonds are to be authenticated and delivered, which opinions shall cover the legality of the Bonds and the exemption of the interest to be paid with respect to the Bonds from federal income taxation.

1.2. Fees and Expenses for Services Rendered as Bond Counsel. The District shall pay to BMO, as a fee for services rendered pursuant to this Section 1, the following sums:

- (a) for services rendered in connection with the issuance of bonds through a public offering of the bonds, an amount of \$45,000 for each such issue; and
- (b) for services rendered in connection with the issuance of bonds through a private placement with a single accredited investor, an amount of \$30,000 for each such issue.

The fees shall be paid by the District to BMO from the proceeds derived by the District from the sale of the Bonds and, if the Bonds are not sold, then no fees shall be paid by the District for services rendered pursuant to this Section 1.

The foregoing fees shall not include out-of-pocket expenses incurred by BMO in connection with services rendered hereunder, which shall be payable in addition to said fee in an amount not to exceed \$4,000 per issue. The District shall also reimburse from the proceeds derived by the District from the sale of the Bonds the cost of bound transcripts of the proceedings related to the Bonds, which amount shall be separately billed.

2. Limitations on Engagement: Unless otherwise expressly stated herein, it is understood and agreed that the District is not relying upon us for investment or accounting advice or decisions, or to investigate the character or credit of any persons with whom you are or may be dealing in connection with this matter.

3. Conflicts of Interest: This firm has represented, and continues to represent, many different individuals, partnerships, corporations, governments, special districts or investment banking firms with various interests in numerous projects or financings including CDD financings. Accordingly, it is possible that during the course of our representation of the District's interests in this engagement it may become involved in transactions or disputes with other clients of our firm in which the District's interests are or become adverse to the interests of one or more of our other clients, whether present or future. If such a conflict between the District interests and those of another of our clients, whether present or future, were to arise, we will promptly notify you of that circumstance as soon as we become aware of the same. However, we reserve the right, on account of any such conflicts of interest, to withdraw from this engagement, and if required by the Rules of Professional Conduct adopted by The Florida Bar, or otherwise deemed by us to be professionally appropriate, to withdraw from the representation of both clients in the particular matter in or with respect to which such conflict of interest arises.

4. **Waiver of Future Conflicts:** It is a condition of our acceptance of this engagement that you understand and agree that this firm may continue to represent, or may undertake in the future to represent, any existing or future client(s) in any matter which is not substantially related to the particular matter that we are handling for the District in this engagement.

5. **Other Terms of Engagement:** Other material terms of this engagement are set forth in the General Terms and Conditions of Engagement attached as Exhibit A to this engagement letter which are, by this reference, incorporated into and made an integral part of this engagement letter. The District's acceptance of the terms of this engagement letter constitutes its acceptance of and agreement to abide by the General Terms and Conditions of Engagement set forth on Exhibit A. If any of them is not clear or unacceptable, please advise us now, so that we may resolve any differences and proceed with this engagement with a clear understanding of the essential terms of our professional relationship.

6. **Applicability to Future Engagements:** Unless a different engagement letter is executed in the future, the terms of this engagement letter will also be applicable to and govern our professional relationship on all subsequent matters on or in which we may become involved or engaged on the District's behalf.

Please understand that while we cannot, and do not, guarantee the outcome or success of this or any other engagement or professional undertaking, we will earnestly strive to represent and serve the District's interests in this engagement effectively, efficiently and responsively while endeavoring to accomplish its objectives in this engagement.

7. **Termination.** This Agreement may be terminated by the District, or by BMO, with or without cause, upon fifteen (15) days' prior written notice to the other. If the District terminates BMO for reasonable cause related to the District's dissatisfaction with the quality of the services rendered by BMO (such as, for example, BMO's failure to meet reasonable deadlines imposed by the District, BMO's neglect of its duties hereunder, or BMO's improper performance of its duties hereunder), then no compensation shall be paid to BMO for any services theretofore rendered pursuant to Section 1 of this Agreement. If the District terminates BMO for any other reason, but nevertheless sells the Bonds, then compensation to be paid by the District shall be an amount equal to the number of hours devoted by BMO to its services as bond counsel pursuant to Section 1 above through the termination date multiplied by \$375.

8. **Construction.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida.

If this engagement letter, including the attached General Terms and Conditions of Engagement, is in accord with your understanding of the terms of the professional relationship which we are establishing, please sign the enclosed copy of this letter and return it to me.

Should you have questions concerning this engagement letter, including the attachments hereto, or the manner in which we are handling this engagement on your behalf from time to time, please do not hesitate to contact me.

Respectfully yours,

Bryant Miller Olive P.A.

By: Kenneth Artin

ACCEPTANCE

The foregoing terms of this engagement, including the General Terms and Conditions of Engagement on the attached Exhibit A, are in accord with my understanding of the same and are hereby approved and accepted.

**HUNTER'S RIDGE COMMUNITY
DEVELOPMENT DISTRICT NO. 1**

Name: _____
Title: _____
December __, 2018

TERMS OF ENGAGEMENT

We appreciate your decision to retain Bryant Miller Olive, P.A. as your legal counsel. This document explains certain important terms of our relationship.

1. **Scope.** Our engagement and the services that we will provide to you are limited as described in the accompanying letter. Any changes in the scope of our representation as described in the letter must be approved in writing. We will provide services of a strictly legal nature related to the matters described in that letter. You will provide us with the factual information and materials we require to perform the services identified in the letter, and you will make such business or technical decisions and determinations as are appropriate. You will not rely on us for business, investment, or accounting decisions or expect us to investigate the character or credit of persons or entities with whom you may be dealing, unless otherwise specified in writing with respect to a specific assignment.

2. **Confidentiality and Related Matters.** Several points regarding the ethics of our profession that will govern our representation deserve emphasis. As a matter of professional responsibility, we are required to preserve the confidences and secrets of our clients. This professional obligation and the legal privilege for attorney-client communications exist to encourage candid and complete communication between a client and his lawyer. We can perform truly beneficial services for a client only if we are aware of all information that might be relevant to our representation. Consequently, we trust that our attorney-Client relationship with you will be based on mutual confidence and unrestrained communication that will facilitate our proper representation of you. Additionally, you should be aware that, in instances in which we represent a corporation or other entity, our client relationship is with the entity and not with its individual executives, shareholders, directors, partners, or persons in similar positions, or with its parent, subsidiaries, or other affiliates. In those cases, our professional responsibilities are owed only to that entity, alone, and no conflict of interest will be asserted by you because we represent persons with respect to interests that are adverse to individual persons or business organizations who have a relationship with you. Of course, we can also represent individual executives, shareholders, partners, and other persons related to the entity in matters that do not conflict with the interests of the entity, but any such representation will be the subject of a separate engagement. We generally do not represent multiple parties to a transaction or other legal matter, but to the extent this engagement involves representation of more than one similarly situated person or entity in a particular matter, our representation of the group will not include the representation of any of the members of the group in relation to any other members of the group.

3. **Fees.** Although fees for engagements of this nature will generally be determined on an hourly basis, we sometimes agree with our clients to perform services on a fixed-fee or other basis that we and the client believe will encourage efficiency and reflect the value of our services in relation to a particular objective. If this engagement is one for which we have specifically agreed in writing on a fixed-fee arrangement, you agree that our fees will not be limited to the fixed amount if you fail to make complete and accurate disclosure of information

that we have requested and that we reasonably require for our work, or if there is a material change in the terms, conditions, scope, or nature of the work envisioned when we determined the fixed amount, or as compared with the work normally and customarily involved in similar engagements, resulting in an increase in the scope, complexity or value of services to be provided by us. If any of these events occurs, you agree that our fees will be appropriately increased to account for such changed circumstances based upon the factors described below, unless you and we agree on a revised fixed fee. If the accompanying letter does not provide for a fixed fee, or if we do not otherwise confirm to you in writing a fee arrangement, our fees for services will be determined as described in the following paragraphs.

When establishing fees for services that we render, we are guided primarily by the time and labor required, although we also consider other appropriate factors, such as the novelty and difficulty of the legal issues involved; the legal skill required to perform the particular assignment; time-saving use of resources (including research analysis, data and documentation) that we have previously developed; the fee customarily charged by comparable firms for similar legal services; the amount of money involved or at risk and the results obtained; and the time constraints imposed by either the client or the circumstances.

In determining a reasonable fee for the time and labor required for a particular matter, we consider the ability, experience, and reputation of the lawyer or lawyers in our firm who perform the services. To facilitate this determination, we internally assign to each lawyer an hourly rate based on these factors.

Of course, our internal hourly rates change periodically to account for increases in our cost of delivery of legal service, other economic factors, and the augmentation of a particular lawyer's ability, experience, and reputation. Any such changes in hourly rates are applied prospectively. We record and bill our time in one-tenth hour (six minute) increments. Also, to appropriately compensate us in situations where our services provide a significant benefit that is disproportionate to the time devoted to the matter, we may adjust the fee, subject to your approval of the adjusted fee, on an "added-value" basis if and to the extent the services contribute to a favorable result for you.

4. Out-of-Pocket Expenses. In addition to legal fees, our statements will include out-of-pocket expenses that we have advanced on your behalf and our internal charges for certain support activities. We may request an advance cost deposit (in addition to the advance fee deposit) when we expect that we will be required to incur substantial costs on behalf of the client.

During the course of our representation, it may be appropriate to hire third parties to provide services on your behalf. These services may include such things as consulting or testifying experts, investigators, providers of computerized litigation support, court reporters, or other consultants. Because of the legal "work product" protection afforded to services that an attorney requests from third parties, in certain situations our firm may assume responsibility for

retaining the appropriate service providers. Even if we do so, however, you will be responsible for paying all fees and expenses directly to the service providers or reimbursing us for these expenses. The firm attempts to achieve efficiencies and savings for its clients when dealing with independent contractors. The firm may be able to obtain a reduced charge from a contractor or achieve other benefits to the client if the firm provides certain functions. For these administrative and coordination services, the firm may charge an administrative fee, which will be separately disclosed to you.

5. Billing. We bill periodically throughout the engagement for a particular matter, and our periodic statements are due when rendered. If our fees are based primarily on the amount of our time devoted to the matter, our statements will be rendered monthly. In instances in which we represent more than one person with respect to a matter, each person that we represent is jointly and severally liable for our fees and expenses with respect to the representation. Our statements contain a summary of each matter for which legal services are rendered and a fee is charged.

If our statements are not paid in a timely manner, we reserve the right to discontinue services. Additionally, if our statement has not been paid within 30 days from the date of the statement, we reserve the right to impose an interest charge of 1.25 percent per month (a 15 percent annual percentage rate) from the 30th day after the date of the statement until it is paid in full. Interest charges apply to specific monthly statements on an individual basis. Any payments made on past due statements are applied first to the oldest outstanding statement. We shall be entitled to attorneys' fees and expenses if collection activities are necessary.

6. Questions About Our Bills. We invite you to discuss freely with us any questions that you have concerning a fee charged for any matter. We will attempt to provide as much billing information as you require and in such customary form that you desire.

7. Relationships with Other Clients. We are sometimes asked to represent a client with respect to interests that are adverse to those of another client who is represented by the firm in connection with another matter. Just as you would not wish to be prevented in an appropriate situation from retaining a law firm that competes with us, our firm wishes to be able to consider the representation of other persons who may be competitors in your industry or who may have interests that are potentially adverse to yours, but with respect to matters that are unrelated in any way to our representation of you. The ethics rules that govern us permit us to accept such multiple representations, assuming certain requirements are met.

During the term of this engagement, we agree that we will not accept representation of another client to pursue interests that are directly adverse to your interests unless and until we make full disclosure to you of all the relevant facts, circumstances, and implications of our undertaking the two representations, and confirm to you in good faith that we have done so and that the following criteria are met: (i) there is no substantial relationship between any matter in which we are representing or have represented you and the matter for the other client;

(ii) any confidential information that we have received from you will not be available to the lawyers and other firm personnel involved in the representation of the other client; (iii) our effective representation of you and the discharge of our professional responsibilities to you will not be prejudiced by our representation of the other client; and (iv) the other client has also consented in writing based on our full disclosure of the relevant facts, circumstances, and implications of our undertaking the two representations. If the foregoing conditions are satisfied, you agree that we may undertake the adverse representation and that all conflict issues will be deemed to have been resolved or waived by you.

8. Title Insurance Services. This firm is an approved agent for several title insurance underwriters operating in Florida. If this engagement involves a transaction for which this firm will act as the title insurance agent, this confirms that when we issue a title insurance policy, we are entitled to a portion of the title insurance premium known as the "agent's share," and the remainder is remitted by us to the underwriter. We price title insurance based on the rates promulgated by the State of Florida Department of Financial Services. In certain circumstances, where dictated by the market or other dynamics of a transaction, we sometimes agree to credit against our client's general legal fees and costs a portion of the agent's share of a substantial title insurance premium paid by our client, assuming such share exceeds the title insurance related time (valued on an hourly basis consistent with our legal fees) and costs incurred by us in our role as the title insurance agent. Unless such a credit is provided for in the accompanying letter, then such a credit or rebate will not be applicable to an assignment or any associated title insurance with which the firm is involved. Any search or exam fees charged by the underwriter will be either billed directly to you or charged to you as a vendor cost on the general legal bill or closing statement. While we appreciate your confidence in us, we wish to clarify that there are other providers of title insurance, so you should feel free to consult other providers to make sure you are comfortable with our proposal before allowing us to proceed as the title insurance agent for any transaction.

9. Termination. Upon termination of our relationship, the attorney-client relationship will end unless you and we have expressly agreed to a continuation with respect to certain matters. The representation is terminable at will by either of us. The termination of the representation will not terminate your obligation to pay fees and expenses incurred prior to the termination.

If any of them is unacceptable to you, please advise us now so that we can resolve any differences and proceed with a clear, complete and consistent understanding of our relationship.

HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1

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**HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1
FINANCIAL STATEMENTS
UNAUDITED
OCTOBER 31, 2018**

**HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1
BALANCE SHEET
OCTOBER 31, 2018**

	Balance
ASSETS	
Cash	\$ 5,852
Due from Developer	13,033
Total assets	\$ 18,885
 LIABILITIES	
Liabilities	
Accounts payable	\$ 11,203
Developer advance	5,500
Due to developer	176
Total liabilities	16,879
 DEFERRED INFLOWS OF RESOURCES	
Deferred receipts	13,033
Total deferred inflows of resources	13,033
 FUND BALANCES	
Unreserved, reported in:	
Unassigned	(11,027)
Total fund balances	(11,027)
Total liabilities, deferred inflows of resources and fund balances	\$ 18,885

**HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE PERIOD ENDED OCTOBER 31, 2018**

	<u>Current Month</u>	<u>Year to Date</u>	<u>Adopted Budget</u>	<u>% of Budget</u>
REVENUES				
Developer contribution	\$ -	\$ -	\$ 28,807	0%
Total revenues	<u>-</u>	<u>-</u>	<u>28,807</u>	0%
EXPENDITURES				
Management/accounting/recording	1,000	1,000	12,000	8%
Legal	-	-	2,500	0%
Engineering	-	-	500	0%
Audit*	-	-	3,500	0%
Telephone	17	17	200	9%
Postage	-	-	500	0%
Printing & binding	42	42	500	8%
Legal advertising	740	740	1,500	49%
Annual district filing fee	-	-	175	0%
Insurance	5,665	5,665	6,232	91%
Contingencies	15	15	250	6%
Website	635	635	650	98%
ADA compliance	-	-	300	0%
Property taxes	153	153	-	N/A
Total expenditures	<u>8,267</u>	<u>8,267</u>	<u>28,807</u>	29%
Excess (deficiency) of revenues over/(under) expenditures	(8,267)	(8,267)	-	
Fund balance - beginning	(2,760)	(2,760)	-	
Fund balance - ending	<u><u>\$(11,027)</u></u>	<u><u>\$(11,027)</u></u>	<u><u>\$ -</u></u>	

**HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1**

15A

DRAFT
MINUTES OF MEETING
HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1

The Hunter's Ridge Community Development District No. 1 Board of Supervisors held a Public Hearing and a Regular Meeting on August 22, 2018 at 3:00 p.m., at 21 Heron Wing Drive, Ormond Beach, Florida 32174.

Present at the meeting were:

Howard Lefkowitz	Chair
Charles Lichtigman	Vice Chair
Steve Thompson	Assistant Secretary
Patricia Hall	Assistant Secretary

Also present were:

Howard McGaffney	District Manager
Mike Woods (via telephone)	District Counsel

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. McGaffney called the meeting to order at 3:05 p.m. Supervisors Lefkowitz, Hall and Lichtigman were present, in person. Supervisor Thompson was not present at roll call. Supervisor Faulkner was not present.

SECOND ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS

**Consideration of Resolution 2018-03,
Electing the Officers of the District**

Mr. Thompson arrived at the meeting at approximately 3:07 p.m.

Mr. Lefkowitz nominated the following slate of officers:

Chair	<u>Howard Lefkowitz</u>
Vice Chair	<u>Charles Lichtigman</u>
Secretary	<u>Craig Wrathell</u>
Treasurer	<u>Craig Wrathell</u>
Assistant Treasurer	<u>Jeff Pinder</u>

41	Assistant Secretary	<u>Patricia Hall</u>
42	Assistant Secretary	<u>Steve Thompson</u>
43	Assistant Secretary	<u>Vacant</u>
44	Assistant Secretary	<u>Howard McGaffney</u>
45	Assistant Secretary	<u>Cindy Cerbone</u>

46 No other nominations were made.

47 Mr. McGaffney presented Resolution 2018-03 and read the title.

48

49 **On MOTION by Mr. Lichtigman and seconded by Mr. Thompson, with all in**
 50 **favor, Resolution 2018-03, Electing the Officers of the District, as nominated,**
 51 **was adopted.**

52

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54 **FOURTH ORDER OF BUSINESS**

**Public Hearing to Hear Comments and
Objections on Adoption of Fiscal Year
2018/2019 Budget**

55

56

57

58 **A. Affidavit/Proof of Publication**

59 The proof of publication was provided for informational purposes.

60 **B. Consideration of Resolution 2018-04, Relating to the Annual Appropriations and**
 61 **Adopting the Budget for the Fiscal Year Beginning October 1, 2018 and Ending**
 62 **September 30, 2019**

63 Mr. McGaffney reviewed the proposed Fiscal Year 2019 budget.

64 **▪ Consideration of ADA Site Compliance Proposal for Website Compliance Shield,**
 65 **Accessibility Policy and One (1) Annual Technological Audit**

66 **This item, previously Item 12Ci, was presented out of order.**

67 In response to the question of what the \$300 “ADA compliance” line item was for, Mr.
 68 McGaffney stated that claims were recently filed against numerous CDDs and other entities
 69 alleging that their websites were not compliant with the Americans with Disabilities Act (ADA)
 70 requirements for websites and the budget line item was the costs related to ADA Site
 71 Compliance (ADASC) bringing the CDD’s website into compliance with the ADA requirements
 72 for websites. Management engaged ADASC to bring its CDDs’ websites into compliance,
 73 including attachment of an ADA Compliance Seal on the website, which links to the District’s
 74 ADA Compliance Policy, advises that updates are underway to bring the website into
 75 compliance and directs who to contact with questions or for assistance. All items not required

76 by law to be posted on the website or that have exceeded the posting time frame requirements
77 will be purged and, going forward, only the required items will be posted on the website. Mr.
78 Woods stated that this action spreads across public and private entities; fortunately, the CDD's
79 website only has basic required content. Mr. Lefkowitz asked if the \$199 fee was a one-time
80 fee. Mr. McGaffney stated that it is an annual fee for ADASC to monitor the CDD's website. Mr.
81 Woods noted that, while ADASC is monitoring the website, he doubted they would absorb any
82 indemnification for the District, considering the low price of \$199. There is no specific
83 regulation regarding website compliance with ADA standards but claims are being filed.

84 One Board Member was against this.

85 Mr. McGaffney stated that, if the CDD does not proceed with bringing its website into
86 compliance, the insurance carrier will no longer cover any website-related claims against the
87 CDD. Mr. Woods stated that having the ADA Compliance Seal on the website shows that the
88 District is taking steps to bring the website into compliance. A Board Member asked if the CDD's
89 insurance policy, at this time is not a signatory on the rider or does the CDD have a rider that
90 protects it. Mr. McGaffney stated that there is currently no rider and the insurance carrier is
91 defending it under the normal policy. The Board Member asked if the CDD would be excluded
92 from the rider option, should the Board decide not to approve this. Mr. McGaffney stated that,
93 regardless of whether the Board approves the proposal, it was already done, as an executive
94 action by Management.

95

96 **On MOTION by Mr. Thompson and seconded by Mr. Lichtigman, with all in**
97 **favor, the ADA Site Compliance Proposal for Website Compliance Shield,**
98 **Accessibility Policy and One (1) Annual Technological Audit, was ratified.**

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101 Discussion of the proposed Fiscal Year 2019 budget resumed.

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A question was raised regarding SECTION 3c regarding whether the referenced changes
or adjustments require approval within the Developer funding or does the Developer Funding
Agreement also provide for approval of that type of change, since the Landowner is effectively
guaranteeing the expenditures. Mr. McGaffney stated that SECTION 3c, basically outlines the
ability to have a budget amendment; it was covered in the seventh "WHEREAS" on Page 1 of
the Developer Funding Agreement. Mr. Lefkowitz read a portion of the WHEREAS clause "...and
may be amended from time to time by the District, subject to the terms and conditions hereof."

109 and asked where those terms and conditions are that allow the change. Mr. McGaffney stated
 110 that there should not be surprise expenditures. Mr. Lefkowitz stated that he brought this up
 111 because the District's Underwriter is currently looking at the possibility of issuing bonds and, if
 112 the Underwriter says it is viable to issue bonds, the District would begin expending funds that
 113 are not budgeted; therefore, he wants to make sure that the Landowner recognizes that the
 114 funds will be expendable by the Association, for the primary reason of making sure that any
 115 funds expended for the bond issuance, which are recoupable, are reflected. Mr. McGaffney
 116 stated that, when it is necessary to amend a budget because a District has become more active
 117 towards a bond issuance, the costs would be determined. Mr. Lefkowitz asked if a meeting
 118 would be necessary to formalize the process, if issuing bonds appears viable. Mr. McGaffney
 119 replied affirmatively and noted that it does not preclude the Board Members from speaking
 120 with District Counsel or District Management.

121 Mr. Lichtigman stated that this is a bare bones budget to get the District by; it covers the
 122 minimum of what the District would do. Mr. McGaffney stated that the budget is for very
 123 specific activities for a District that is contemplating its future.

124

On MOTION by Mr. Lefkowitz and seconded by Mr. Lichtigman, with all in favor, the Public Hearing was opened at 3:38 p.m.

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No members of the public spoke.

130

Mr. McGaffney closed the Public Hearing at 3:39 p.m.

131

Mr. McGaffney presented Resolution 2018-04 and read the title.

132

On MOTION by Mr. Lichtigman and seconded by Mr. Thompson, with all in favor, Resolution 2018-04, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2018 and Ending September 30, 2019, was adopted.

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FIFTH ORDER OF BUSINESS

**Consideration of Fiscal Year 2018/2019
Funding Agreement**

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Mr. McGaffney presented the Fiscal Year 2019 Funding Agreement.

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On MOTION by Mr. Lefkowitz and seconded by Mr. Thompson with all in favor, the Fiscal Year 2018/2019 Funding Agreement, was approved.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2018-05, Adopting the Annual Meeting Schedule for Fiscal Year 2018/2019

Mr. McGaffney presented Resolution 2018-05. The following change was made:

TIME: Change "12:00" to "3:30"

On MOTION by Mr. Lichtigman and seconded by Mr. Thompson, with all in favor, Resolution 2018-05, Adopting the Annual Meeting Schedule for Fiscal Year 2018/2019, as amended, was adopted.

SEVENTH ORDER OF BUSINESS

Acceptance of Resignation of Supervisor Charles Faulkner, SEAT 4; Term Expires November, 2020

Mr. McGaffney presented the letter of resignation from Mr. Faulkner.

Mr. Lefkowitz directed Mr. McGaffney to send a letter to Mr. Faulkner thanking him for his service to the District.

On MOTION by Mr. Lefkowitz and seconded by Mr. Lichtigman with all in favor, the resignation of Mr. Charles Faulkner, dated August 16, 2018, was accepted.

EIGHTH ORDER OF BUSINESS

Consideration of Appointment to Seat 4

- A. Administration of Oath of Office (*the following will also be provided in a separate package*)**
 - i. Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
 - ii. Membership, Obligations and Responsibilities**
 - iii. Chapter 190, Florida Statutes**
 - iv. Financial Disclosure Forms**
 - a. Form 1: Statement of Financial Interests**
 - b. Form 1X: Amendment to Form 1, Statement of Financial Interests**

183 c. Form 1F: Final Statement of Financial Interests

184 v. Form 8B: Memorandum of Voting Conflict

185 Mr. Lefkowitz asked if there was any obligation to appoint outside landowners or
186 property owners. Discussion ensued regarding the requirements to be a Board Member. Mr.
187 Lefkowitz asked Mr. Woods to email the requirements to him.

188 This item was deferred.

189

190 **NINTH ORDER OF BUSINESS** **Approval of Unaudited Financial**
191 **Statements**

192

193 **A. As of April 30, 2018 (deferred from last meeting)**

194 Mr. McGaffney presented the Unaudited Financial Statements as of April 30, 2018.
195 These statements were not approved at the last meeting pending answers to questions about
196 showing the Developer's contribution as a liability. Mr. McGaffney stated that the District has
197 not moved forward as fast as some other Districts so some of the work already assumed under
198 the original establishment will probably have to be redone, when the District moves towards a
199 bond issuance. He was told by Mr. Watts that, other than maybe the initial onset and
200 establishment costs, those things that normally move forward with a District that is going to
201 issue bonds, could be recoverable through the bond issuance, including the Engineer's Reports,
202 Methodologies, etc.; however, expenses put into the bond issuance reduces the amount that
203 the District would receive. Also, it might be necessary to redo the reports.

204 **B. As of July 31, 2018**

205 Mr. McGaffney presented the Unaudited Financial Statements as of July 31, 2018.

206 Mr. Lichtigman asked when the audit occurs and what the fee is. Mr. McGaffney replied
207 in spring and the fee is \$3,500. Discussion ensued regarding auditors, whether an audit is
208 required, why an audit was not performed for Fiscal Year 2016, etc. Mr. McGaffney would find
209 out whether an audit was required for Fiscal Year 2016.

210

**On MOTION by Mr. Lichtigman and seconded by Mr. Thompson, with all in
211 favor, the Unaudited Financial Statements as of April 30, 2018 and July 31,
212 2018, were approved.**

214

215

216 **TENTH ORDER OF BUSINESS**

**Approval of June 7, 2018 Regular Meeting
217 Minutes**

218 Mr. McGaffney presented the June 7, 2018 Regular Meeting Minutes and asked for any
219 additions, deletions or corrections.

220

221 **On MOTION by Mr. Lichtigman and seconded by Mr. Lefkowitz, with all in**
222 **favor, the June 7, 2018 Regular Meeting Minutes, as presented, were**
223 **approved.**

224

225

226 **ELEVENTH ORDER OF BUSINESS**

Other Business

227

228 There being no other business to discuss, the next item followed.

229

230 **TWELFTH ORDER OF BUSINESS**

Staff Reports

231

232 **A. District Counsel: *Cobb Cole***

233 There being no report, the next item followed.

234 **B. District Engineer: *Zev Cohen and Associates, Inc.***

235 There being no report, the next item followed.

236 **C. District Manager: *Wrathell, Hunt and Associates, LLC***

237 **i. Consideration of ADA Site Compliance Proposal for Website Compliance Shield,**
238 **Accessibility Policy and One (1) Annual Technological Audit**

239 This item was presented during the Fourth Order of Business.

240 **ii. NEXT MEETING DATE: November 1, 2018 at 12:00 P.M.**

241 Mr. McGaffney stated that the next meeting will be the Landowners' Meeting, which
242 will be held on November 1, 2018 at 3:30 p.m., rather than 12:00 p.m.

243

244 **THIRTEENTH ORDER OF BUSINESS**

Board Members' Comments/Requests

245

246 There being no Board Members' comments or requests, the next item followed.

247

248 **FOURTEENTH ORDER OF BUSINESS**

Adjournment

249

250 There being no further business to discuss, the meeting adjourned.

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252 **On MOTION by Mr. Lichtigman and seconded by Mr. Thompson, with all in**
253 **favor, the meeting adjourned at approximately 4:00 p.m.**

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Secretary/Assistant Secretary

Chair/Vice Chair

HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1

15B

DRAFT

**MINUTES OF MEETING
HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1**

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The Hunter's Ridge Community Development District No. 1 held a Landowners' Meeting on Thursday, November 1, 2018 at 3:30 p.m., at 21 Heron Wing Drive, Ormond Beach, Florida 32174.

Present at the meeting were:

Howard McGaffney	District Manager
Howard Lefkowitz	Landowner
Charles Lichtigman	

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. McGaffney called the meeting to order at 3:44 p.m.

SECOND ORDER OF BUSINESS

Affidavit/Proof of Publication

The proof of publication was provided for informational purposes.

THIRD ORDER OF BUSINESS

Election of a Chairperson to Conduct Landowners' Meeting

Mr. Lefkowitz agreed to Mr. McGaffney serving as Chairperson to conduct the Landowners' meeting.

FOURTH ORDER OF BUSINESS

Election of Supervisors [SEATS 1, 2 & 5]

A. Nominations

Mr. Lefkowitz nominated the following:

Seat 1	Howard Lefkowitz
Seat 2	Patricia Hall
Seat 5	Charles Lichtigman

No other nominations were made.

38 **B. Casting of Ballots**

39 **i. Determine Number of Voting Units Represented**

40 Mr. McGaffney stated that Mr. Lefkowitz, the Landowner, could cast a total of 168
41 voting units.

42 **ii. Determine Number of Voting Units Assigned by Proxy**

43 There were no voting units assigned via proxy.

44 Mr. Lefkowitz cast his votes as follows:

45	Seat 1	Howard Lefkowitz	168 Votes
46	Seat 2	Patricia Hall	94 Votes
47	Seat 5	Charles Lichtigman	112 Votes

48 **C. Ballot Tabulation and Results**

49 Mr. McGaffney tabulated the ballots and reported the following results:

50	Seat 1	Howard Lefkowitz	168 Votes	Four-year Term
51	Seat 2	Patricia Hall	94 Votes	Two-year Term
52	Seat 5	Charles Lichtigman	112 Votes	Four-year Term

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54 **FIFTH ORDER OF BUSINESS**

Landowners’ Questions/Comments

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56 There being no Landowners’ questions or comments, the next item followed.

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58 **SIXTH ORDER OF BUSINESS**

Adjournment

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60 There being no further business to discuss, the meeting adjourned at 3:51 p.m.

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[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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Secretary/Assistant Secretary

Chair/Vice Chair

**HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1**

17C

HUNTER'S RIDGE OAKS COMMUNITY DEVELOPMENT DISTRICT NO. 1
NOTICE OF FISCAL YEAR 2019 MEETINGS

The Board of Supervisors ("Board") of the Hunter's Ridge Oaks Community Development District No. 1 ("District") will hold regular meetings for Fiscal Year 2019 at 10:00 a.m., at the Flagler County Chamber of Commerce, 20 Airport Road, Suite C, Palm Coast, Florida 32164 on the following dates:

December 5, 2018 at 9:00 a.m.
February 18, 2019
May 20, 2019
August 26, 2019

The purpose of the meetings is for the Board to consider any business which may properly come before it. The meetings are open to the public and will be conducted in accordance with the provision of Florida Law for Community Development Districts. The meetings may be continued to a date, time, and place to be specified on the record at the meeting. A copy of the agenda for these meetings may be obtained from Wrathell, Hunt & Associates, LLC, 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431 or by calling (561) 571-0010.

There may be occasions when one or more Supervisors or staff will participate by telephone. Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Office at (561) 571-0010 at least 48 hours prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) / 1-800-955-8770 (Voice), for aid in contacting the District Office.

A person who decides to appeal any decision made at the meeting with respect to any matter considered at the meeting 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 such appeal is to be based.

District Manager