### Highland Meadows West Community Development District

Agenda

January 8, 2020

# AGENDA

# Highland Meadows West Community Development District

219 E. Livingston St., Orlando, Florida 32801 Phone: 407-841-5524 – Fax: 407-839-1526

January 1, 2020

Board of Supervisors Highland Meadows West Community Development District

Dear Board Members:

The regular meeting of the Board of Supervisors of **Highland Meadows West Community Development District** will be held **Wednesday**, **January 8**, **2020 at 3:00 PM at 346 E Central Ave.**, **Winter Haven**, **Florida 33880**. Following is the advance agenda for the meeting:

- 1. Roll Call
- 2. Public Comment Period (¹Speakers will fill out a card and submit it to the District Manager prior to the beginning of the meeting)
- 3. Approval of Minutes of the November 13, 2019 Board Meeting and November 21, 2019 Continued Board Meeting
- 4. Consideration of Temporary Construction and Access Easement Agreement (Phase 2 and 3)
- 5. Consideration of Resolution 2020-02 Declaring Special Assessments
- 6. Consideration of Resolution 2020-03 Setting a Public Hearing for Special Assessments
  - A. Supplemental Engineer's Report
  - B. Supplemental Assessment Methodology
- 7. Consideration of Resolution 2020-04 Setting a Public Hearing on Uniform Method
- 8. Consideration of Resolution 2020-05 Delegation Resolution
- 9. Consideration of Resolution 2020-06 Re-Designating the Primary Administrative Office and Principal Headquarters for the District
- 10. Consideration of Cost Share Agreement for Phase 2 Infrastructure Improvements
- 11. Consideration of Cost Share Agreement for Phase 3 Infrastructure Improvements
- 12. Consideration of Amended Bond Counsel Agreement with Greenberg Traurig
- 13. Ratification of 2020 Polk County Property Appraiser Data Sharing and Usage Agreement
- 14. Ratification of Agreement with Polk County Property Appraiser

<sup>&</sup>lt;sup>1</sup> Comments will be limited to three (3) minutes

#### 15. Staff Reports

- A. Attorney
- B. Engineer
- C. District Manager's Report
  - i. Approval of Check Register
  - ii. Balance Sheet and Income Statement
  - iii. Ratification of Summary of Series 2019 Requisitions #41-#54 and #56
  - iv. Consideration of Change to Fiscal Year 2020 Meeting Schedule
  - v. Authorization to Bind Property Coverage for Playground--ADDED
- 16. Other Business
- 17. Supervisors Requests and Audience Comments
- 18. Adjournment

The second order of business is the Public Comment Period where the public has an opportunity to be heard on propositions coming before the Board as reflected on the agenda, and any other items. Speakers must fill out a Request to Speak form and submit it to the District Manager prior to the beginning of the meeting.

The third order of business is the approval of the minutes of the November 13, 2019 Board of Supervisors Meeting and the November 21, 2019 continued Board Meeting. A copy of both minutes is enclosed for your review.

The fourth order of business is the Consideration of Temporary Construction and Access Easement Agreements (Phase 2 and 3). Copies of these agreements are enclosed for your review.

The fifth order of business is the Consideration of Resolution 2020-02 Declaring Special Assessments. A copy of this resolution is enclosed for your review.

The sixth order of business is the Consideration of Resolution 2020-03 Setting a Public Hearing for Special Assessments. A copy of this resolution is enclosed for your review. Section A includes the Supplemental Engineer's Report for your review. Section B includes the Supplemental Methodology for your Review.

The seventh order of business is the Consideration of Resolution 2020-04 Setting a Public Hearing on Uniform Method. A copy of this resolution is enclosed for your review.

The eighth order of business is the Consideration of Resolution 2020-05 Delegation Resolution. A copy of this resolution is enclosed for your review.

The ninth order of business is the Consideration of Resolution 2020-06 Re-Designating the Primary Administrative Office and Principal Headquarters for the District. A copy of this resolution is enclosed for your review.

The tenth order of business is the Consideration of Cost Share Agreement for Phase 2 Infrastructure Improvements. A copy of this agreement is enclosed for your review.

The eleventh order of business is the Consideration of Cost Share Agreement for Phase 3 Infrastructure Improvements. A copy of this agreement is enclosed for your review.

The twelfth order of business is the Consideration of Amended Bond Counsel Agreement with Greenberg Traurig. A copy of this agreement is enclosed for your review.

The thirteenth order of business is the Ratification of the 2020 Polk County Property Appraiser Data Sharing and Usage Agreement. A copy of the agreement is enclosed for your review.

The fourteenth order of business is the Ratification of Agreement with Polk County Property Appraiser. A copy of the agreement is enclosed for your review.

The fifteenth order of business is Staff Reports. Section C is the District Manager's Report. Sub-Section 1 includes the approval of the check register. Sub-Section 2 includes the balance sheet and income statement. Sub-Section 3 includes a Summary of Series 2019 Requisitions #41 through #54, and #56, for your review and ratification.

The balance of the agenda will be discussed at the meeting. In the meantime, if you should have any questions, please do not hesitate to contact me.

Sincerely,

Jill Burns District Manager

CC: Roy Van Wyk, District Counsel

**Enclosures** 

## **MINUTES**

#### MINUTES OF MEETING HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT

The Regular Meeting of the Board of Supervisors of the Highland Meadows West Community Development District was held on Wednesday, **November 13, 2019** at 3:10 p.m. at 346 E Central Ave, Winter Haven, Florida.

#### Present and constituting a quorum:

Rennie Heath

Lauren Schwenk

Andrew Rhinehart

Patrick Marone

Keaton Alexander via phone

Chairman

Assistant Secretary

Assistant Secretary

Assistant Secretary

Also, present were:

Jill Burns District Manager, GMS Roy Van Wyk Hopping Green & Sams

Dennis Wood *via phone* Engineer

The following is a summary of the discussions and actions taken at the November 13, 2019 Highland Meadows West Community Development District's Board of Supervisors Meeting.

#### FIRST ORDER OF BUSINESS Roll Call

Ms. Burns called the meeting to order and stated that the supervisors listed above were in attendance, constituting a quorum.

#### SECOND ORDER OF BUSINESS Public Comment Period

There being no public comments, the next item followed.

#### THIRD ORDER OF BUSINESS

## Approval of Minutes of the October 17, 2019 Board Meeting

Ms. Burns presented the October 17, 2019 Board of Supervisors meeting and asked for any comments, corrections, or additions to the minutes. The board had no corrections.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, the Minutes of the October 17, 2019 Board Meeting, were approved.

#### FOURTH ORDER OF BUSINESS

Consideration of Agreement with FMSbonds to Serve as Underwriter for Series 2019 Assessment Area Two Bonds

Ms. Burns asked if there were any questions regarding the agreement from FMS. The board had no questions.

On MOTION by Ms. Schwenk, seconded by Mr. Rhinehart, with all in favor, the Agreement with FMSbonds to Serve as Underwriter for Series 2019 Assessment Area Two Bonds, was approved.

#### FIFTH ORDER OF BUSINESS

#### **Public Hearing**

## A. Public Hearing on the Adoption of the Amended and Restated Rules of Procedure

Ms. Burns stated the public hearing was advertised in the paper and asked for a motion to open the public hearing.

On MOTION by Mr. Marone, seconded by Mr. Rhinehart, with all in favor, Opening the Public Hearing, was approved.

There being no members of the public present, Ms. Burns asked for a motion to close.

On MOTION by Mr. Marone, seconded by Mr. Rhinehart, with all in favor, Closing the Public Hearing, was approved

## i. Consideration of Resolution 2020-01 Adopting Amended and Restated Rules of Procedure

Ms. Burns informed the board that there were no changes since the board reviewed the Rules of Procedure at the last meeting. With no questions from the board, Ms. Burns asked for a motion to approve.

On MOTION by Mr. Marone, seconded by Mr. Heath, with all in favor, the Resolution 2020-01 Adopting Amended and Related Rules of Procedure, was approved.

#### SIXTH ORDER OF BUSINESS

Consideration of Proposals for Construction Services for Phase 2 and Phase 3 Infrastructure Improvements

Ms. Burns asked if Mr. Wood would go over the rankings. Mr. Wood joined the meeting via phone and reviewed the rankings. Mr. Wood made reference to evaluation criteria that was used in the past. The specific rankings will be provided under a separate cover. Mr. Wood ranked Kearney #1 with 98.5, QGS Development #2 with 83.1, RIPA & Associates #3 with 81.85, Tucker #4 with 81.7, and JMHC was #5 with 75.45. Mr. Wood recommended that the board choose Kearney. He noted Kearney's schedule was 120 days and the next lowest was 175 days.

Mr. Heath asked when the bids were received, and Mr. Wood responded about three weeks ago. Mr. Heath was concerned that he was seeing the proposals for the first time. Ms. Burns noted that they asked for them a week ago but received them today. Mr. Heath stated the proposals and rankings needed to be looked over. Mr. Burns suggested tabling the discussion and continuing the meeting to Thursday, November 21, 2019.

Mr. Van Wyk asked if all bids were responsive, and all documents were included that were required without material deviations. Mr. Wood answered yes. Ms. Schwenk asked if the handrail was part of Phase 3 or 4, but Mr. Wood was not certain. The board asked that Mr. Wood send a set of the plans. Ms. Schwenk also requested that Mr. Wood send broken out bids between Phase 2 and 3 to the board. Mr. Wood noted that actual bids are included in the agenda package where the numbers are broken out. In conclusion, it was agreed to table this discussion for the next meeting on Thursday, November 21, 2019.

#### SEVENTH ORDER OF BUSINESS

#### Consideration of Second Supplemental Engineer's Report for Capital Improvements

Ms. Burns asked Mr. Wood for a brief overview of the Engineer's Report. Mr. Wood stated it was adjusted to add Phase 2 and 3. Mr. Wood stated Phase 3 was 46 lots, and Phase 2 was 130 lots. The adjustment was made to identify construction costs for each phase. Phase 1 that included 266 lots that are currently under construction totals \$5,879,000. Phase 2 from 130 lots totaled \$2,868,000. Phase 3 with 46 lots totaled \$988,000. The combined cost of all 442 lots was \$9,735,000. There were no changes to the report since it was submitted.

Mr. Van Wyk asked if the construction could be completed as outlined in the report, and if the costs were reasonable for the type of improvements that are to be constructed. Mr. Wood answered yes to both questions. Mr. Van Wyk asked if the costs were fairly and reasonably apportioned across the number of lots to be constructed in each one of the phases. Mr. Wood answered yes. The board had no further questions.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, the Second Supplemental Engineer's Report for Capital Improvements, was approved.

#### **EIGHTH ORDER OF BUSINESS**

#### Consideration of Supplemental Assessment Methodology for Series 2019 Assessment Area Two

Ms. Burns stated the Assessment Report allocates the debt to properties based on the special benefits each receives from the Capital Improvement Plan that Mr. Wood had outlined prior. Ms. Burns reviewed the tables in the Assessment Methodology for the board. Table 1 notes that there are 176 total assessible units in Assessment Area 2. They are all similar in size, so they have the same ERU of 1. Table 2 shows the amount of the bond sizing at \$3,560,000. Table 4 shows the improvement cost per unit. Table 5 shows the par debt per unit of \$20,227 per lot. Table 6 shows the annual net and gross assessments for the product type. The preliminary assessment roll was listed in Table 7. The board stated a mistake in Table 7 regarding the numbers and ownership. Ms. Schwenk noted that Cassidy Holdings would be selling their land in the first of December. Ms. Burns stated the Methodology will be updated and adjusted to reflect accurate numbers in Table 7, and ownership would be clarified with Mr. Wood. Mr. Van Wyk asked Ms. Burns if it was her opinion that the costs and amounts shown in the Methodology

benefit is equal to or greater than the burden placed on the properties by the assessments. Ms. Burns answered yes. Mr. Van Wyk asked Ms. Burns if it was her opinion that the assessments as outlined in the report are fairly and reasonably apportioned across the lots. Ms. Burns answered yes.

On MOTION by Ms. Schwenk, seconded by Mr. Heath, with all in favor, the Supplemental Assessment Methodology for Series 2019 Assessment Area Two, was approved as Amended.

#### NINTH ORDER OF BUSINESS

#### **Staff Reports**

#### A. Attorney

Mr. Van Wyk stated the approved resolution from the city was received last week, and it has been filed with Polk County. He also stated they filed the petition for the boundary amendment prior to the resolution.

#### B. Engineer

There being nothing further from Mr. Wood, the next item followed.

#### C. District Manager's Report

#### i. Approval of Check Register

Ms. Burns noted the total amount of the check register was \$23,375.34 for October 10th through November 6<sup>th</sup>.

On MOTION by Mr. Heath, seconded by Mr. Marone, with all in favor, the Check Register totaling \$23,375.34, was approved.

#### ii. Balance Sheet and Income Statement

Ms. Burns stated the financials were in the packet for the Board's review and no action needed to be taken. With no questions, the next item followed.

#### iii. Ratification of Series 2019 Requisitions #36-#40

Ms. Burns stated Series 2019 Requisitions #36 through #40 had already been approved but needed to be ratified by the board.

On MOTION by Ms. Schwenk, seconded by Mr. Heath, with all in favor, the Series 2019 Requisitions #36 - #40 were ratified.

#### TENTH ORDER OF BUSINESS

#### **Other Business**

There being none, the next item followed.

#### **ELEVENTH ORDER OF BUSINESS**

Adjournment

The meeting was continued to November 21st, 2019 at 10:00 a.m.

On MOTION by Mr. Heath, seconded by Mr. Marone, with all in favor, Continuation of the Meeting to Thursday, November 21, 2019 at 10:00 a.m., was approved.

Secretary/Assistant Secretary	Chairman/Vice Chairman

#### MINUTES OF MEETING HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT

The Continued Meeting of the Board of Supervisors of the Highland Meadows West Community Development District was held on Wednesday, **November 21, 2019** at 10:00 a.m. at 346 E Central Ave, Winter Haven, Florida.

#### Present and constituting a quorum:

Rennie Heath Chairman

Andrew Rhinehart Assistant Secretary
Patrick Marone Assistant Secretary
Lauren Schwenk Assistant Secretary

Also, present were:

Jill Burns District Manager, GMS

Roy Van Wyk *via phone* HGS Dennis Wood *via phone* Engineer

The following is a summary of the discussions and actions taken at the November 21, 2019 Highland Meadows West Community Development District's Continued Meeting.

#### FIRST ORDER OF BUSINESS Roll Call

Ms. Burns called the meeting to order and stated that the supervisors listed above were in attendance, constituting a quorum.

#### SECOND ORDER OF BUSINESS Public Comment Period

There being no members of the public present, the next item followed.

# THIRD ORDER OF BUSINESS Consideration of Proposals for Construction Services for Phase 2 and Phase 3 Infrastructure Improvements

Ms. Burns noted this was a continuation of the meeting held on November 13, 2019. The board tabled the proposals for construction services for Phase 2 and 3 infrastructure

improvements. Mr. Wood presented his rankings of the proposals for the board. Mr. Van Wyk asked that the board review the totals for each proposal and make sure all the information is accurate. Mr. Van Wyk noted, that Mr. Wood had noted, that all the bids were responsive and met the requirements for the bid packages. Mr. Wood ranked Kearney #1 with 98.5, QGS Development #2 with 83.1, RIPA & Associates #3 with 81.85, Tucker #4 with 81.7, and JMHC was #5 with 75.45. The board had no changes to the rankings.

On MOTION by Mr. Heath, seconded by Ms. Schwenk, with all in favor, the Board Accepted the Rankings of the District Engineer with Kearney Ranked #1, and Authorized Staff to Send Notice of Intent to Award to Kearney, was approved.

#### FOURTH ORDER OF BUSINESS

#### **Staff Reports**

#### A. Attorney

Mr. Van Wyk had nothing further to report.

#### B. Engineer

There being none, the next item followed.

#### C. District Manager's Report

There being none, the next item followed.

#### FIFTH ORDER OF BUSINESS

#### **Other Business**

There being none, the next item followed.

#### SIXTH ORDER OF BUSINESS

Supervisors Requests and Audience Comments

Ms. Burns asked for comments from the board, the board had none.

#### SEVENTH ORDER OF BUSINESS

### Adjournment

The meeting was adjourned.

On MOTION by Ms. Schwe in favor, the meeting was ad	enk, seconded by Mr. Rhinehart, with all
in lavoi, the meeting was au	journed.
ecretary/Assistant Secretary	Chairman/Vice Chairman

# SECTION IV

Prepared By and Return To

Roy Van Wyk, Esq. Hopping Green & Sams 119 South Monroe Street, Suite 300 Tallahassee, Florida 32301

## TEMPORARY CONSTRUCTION AND ACCESS EASEMENT AGREEMENT

#### (PHASE 2)

THIS TEMPORARY CONSTRUCTION AND ACCESS EASEMENT AGREEMENT ("Agreement") is made and entered into this 8th day of January, 2020, by and between CASSIDY HOLDINGS, LLC, a Florida limited liability company, whose mailing address is 346 East Central Avenue, Winter Haven, Florida 33880 ("Grantor") in favor of HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes, whose address is c/o Governmental Management Services-Central Florida, LLC, 219 East Livingston Street, Orlando, Florida 32801 ("Grantee" or the "District") (Grantor and Grantee are sometimes together referred to herein as the "Parties", and separately as the "Party").

#### **WITNESSETH:**

WHEREAS, Grantor is the owner in fee simple of that certain real property located in the City of Haines City, Florida, being more particularly described on Exhibit "A" attached hereto and by this reference incorporated herein (the "Easement Area"); and

WHEREAS, Grantee intends to complete within the Easement Area, the design, installation and construction of roadway improvements, water, stormwater management facilities, sanitary sewer utilities, signage, neighborhood parks and recreational facilities, and other such improvements as authorized by law (collectively, the "Improvements"); and

WHEREAS, Grantor desires to grant to Grantee a temporary, non-exclusive construction and access easement on, upon, over, under, across, and through the Easement Area for the sole purpose of constructing the Improvements, until either construction of the Improvements is completed or the Grantee acquires the Easement Area, whichever occurs first.

**NOW, THEREFORE**, for and in consideration of Ten and No/100 Dollars (\$10.00) in hand paid by the Grantee to the Grantor, the mutual covenants and agreements herein set forth and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby expressly acknowledged by the Parties, the Parties do hereby agree as follows:

- 1. **Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference.
- 2. **Temporary Construction Easement.** Grantor does hereby grant, bargain, sell and convey to Grantee a temporary, non-exclusive easement on, upon, over, under, across and through the Easement Area for access, ingress, egress and to allow Grantee to complete the design, construction and installation of the Improvements (collectively, the "**Easement**").
- 3. **Term of Easement.** Upon the earlier of (i) the completion of all Improvements and the acceptance of such by the District's Board of Supervisors, or (ii) recordation of a release of the Easement in the Public Records of Polk County, Florida, then this Agreement shall automatically terminate and be extinguished and all rights in the Easement granted by this Agreement shall immediately revert to the Grantor, its successors, transferees and assigns, without further action of the Grantor or Grantee being required with respect to such Easement Area. Upon termination of this Agreement, as provided herein, and upon request by Grantor, Grantee shall promptly execute and deliver to Grantor a document in recordable form confirming termination of this Agreement and the Easement granted herein. Should the Grantee acquire the Easement Area from the Grantor prior to the occurrence of events (i) and (ii) enumerated herein, this Agreement shall automatically terminate and be extinguished and all rights in the Easement granted by this Agreement shall immediately vest in the Grantee, its successors, transferees and assigns, without further action of the Grantor or Grantee being required with respect to such Easement Area.
- 4. **Insurance and Indemnity.** Grantee and/or any contractors performing work for Grantee on the Easement Area, shall at all times maintain general public liability insurance to afford protection against any and all claims for personal injury, death or property damage arising directly or indirectly out of the exercise of the rights and privileges granted. Said insurance maintained by any contractors performing work for Grantee on the Easement Area shall be issued by solvent, reputable insurance companies authorized to do business in the State of Florida, naming Grantee and Grantor as insured, as their interests may appear, in a combined-single limit of not less than One Million and 00/100 Dollars (\$1,000,000.00) with respect to bodily injury or death and property damage. Said insurance shall also be primary, and not contributory, as to any insurance coverage maintained by Grantor. To the extent permitted by law and without waiving any of the protections afforded by section 768.28, *Florida Statutes*, Grantee hereby agrees to indemnify and hold harmless Grantor from and against any and all liability arising out of Grantee's construction activities within the Easement Area.
- 5. **Obligations of Grantor and Grantee.** The Parties acknowledge and agree that any rights granted hereunder shall be exercised by the Parties only in accordance and compliance with any and all applicable laws, ordinances, rules, regulations, permits and approvals, and any future modifications or amendments thereto. The Parties covenant and agree that neither party shall discharge into or within the Easement Area, any hazardous or toxic materials or substances, any pollutants, or any other substances or materials prohibited or regulated under any federal, state or local law, ordinance, rule, regulations or permit, except in accordance with such laws, ordinances, rules, regulations and permits. To the extent permitted by law and without waiving any of the protections afforded by section 768.28, *Florida Statutes*, each Party hereby agrees to indemnify and hold harmless the other Party from and against any and all liability arising out of

such Party's breach of any provision of this Agreement, including, without limitation, the matters set forth in this paragraph.

- 6. **Beneficiaries of Easement Rights.** The Easement set forth in this Agreement shall be for the sole benefit and use of Grantee, its successors and assigns, and Grantee's agents, employees, consultants, representatives, contractors and providers of emergency services and utility services.
- 7. Amendments and Waivers. This Agreement may not be terminated (except as provided in Section 3 of this Agreement) or amended, modified, altered, or changed in any respect whatsoever, except by a further agreement in writing duly executed by the Parties and recorded in the Public Records of Polk County, Florida. No delay or omission of any Party in the exercise of any right accruing upon any default of any Party shall impair such right or be construed to be a waiver thereof, and every such right may be exercised at any time during the continuance of such default. A waiver by any Party of a breach of, or a default in, any of the terms and conditions of this Agreement by any other Party shall not be construed to be a waiver of any subsequent breach of or default in the same or any other provision of this Agreement. No breach of the provisions of this Agreement shall entitle any Party to cancel, rescind or otherwise terminate this Agreement, but such limitation shall not affect, in any manner, any other rights or remedies which any Party may have by reason of any breach of the provisions of this Agreement.
- 8. **Notices.** Any notices which may be permitted or required hereunder shall be in writing and shall be deemed to have been duly given (i) three (3) days after depositing with the United States Postal Service, postage prepaid, (ii) one day after depositing with a nationally recognized overnight courier service, or (iii) on the day of hand delivery (provided such delivery occurs prior to 5:00 pm, E.S.T. or E.D.T., as applicable), to the address listed above or to such other address as either Party may from time to time designate by written notice in accordance with this paragraph.
- 9. **Use of Easement Area.** It is acknowledged and agreed that the Easement granted under this Agreement is not an exclusive easement and that Grantor shall have the right to use and enjoy the Easement Area in any manner not inconsistent with the easement rights created herein, and grant others the right to do so.
- 10. **Liens.** Grantee shall not permit (and shall promptly satisfy or bond) any construction, mechanic's lien or encumbrance against the Easement Area in connection with the exercise of rights hereunder.
- 11. **Effective Date.** The Effective Date of this Agreement shall be the last day that this Agreement is signed by either Party.
- 12. **Miscellaneous.** This Agreement contains the entire understanding of the Parties with respect to the matters set forth herein and no other agreement, oral or written, not set forth herein, nor any course of dealings of the Parties, shall be deemed to alter or affect the terms and conditions set forth herein. If any provision of this Agreement, or portion thereof, or the application thereof to any person or circumstances, shall, to the extent be held invalid, inoperative or unenforceable, the remainder of this Agreement, or the application of such

provision or portion thereof to any other persons or circumstances, shall not be affected thereby; it shall not be deemed that any such invalid provision affects the consideration for this Agreement; and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. This Agreement shall be construed in accordance with the laws of the State of Florida. Venue for any proceeding brought hereunder shall be Polk County, Florida. In the event of any dispute hereunder or of any action to interpret or enforce this Agreement, any provision hereof or any matter arising herefrom, the predominantly prevailing party shall be entitled to recover its reasonable attorneys' fees, costs and expenses, whether suit be brought or not, and whether in settlement, in any declaratory action, at trial or on appeal. The section headings in this Agreement are for convenience only, shall in no way define or limit the scope or content of this Agreement, and shall not be considered in any construction or interpretation of this Agreement or any part hereof. Where the sense of this Agreement requires, any reference to a term in the singular shall be deemed to include the plural of said term, and any reference to a term in the plural shall be deemed to include the singular of said term. Nothing in this Agreement shall be construed to make the Parties hereto partners or joint venturers or render either of said Parties liable for the debts or obligations of the other. This Agreement may be executed in counterparts, each of which shall constitute an original, but all taken together shall constitute one and the same Agreement. Time is of the essence of this Agreement. This Agreement shall be binding upon and inure to the benefit of Grantor and Grantee and their respective successors and assigns. The rights, privileges and Easement granted and conveyed hereunder shall be a burden upon the Easement Area and shall exist for the benefit of and run with title to the Easement Area.

[Signature Pages Follow]

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed as of the day and year first written above.

	"GRANTOR"			
Signed, sealed and delivered in the presence of:	CASSIDY HOLDINGS, LLC a Florida limited liability company			
	By: ABCMM, LLC Its: Manager			
Print Name:	By: Albert B. Cassidy Its: Manager, ABCMM, LLC			
Print Name:				
STATE OF FLORIDA COUNTY OF				
online notarization, this	owledged before me by means of $\square$ physical presence or $\square$ day of, 20, by Albert B. LLC, as Manager for Cassidy Holdings, LLC.			
	(Official Notary Signature & Seal)			
	Name:			
	Personally KnownOR Produced Identification			
	Type of Identification			

#### "GRANTEE"

HIGHLAND MEADOWS WEST

Signed, sealed and delivered in the presence of:	COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes
Print Name:	
	Chairperson, Board of Supervisors
Print Name:	
STATE OF FLORIDA COUNTY OF	
online notarization, this da	edged before me by means of $\square$ physical presence or $\square$ ay of, 20, by Warren K. It the Board of Supervisors of Highland Meadows West
	(Official Notary Signature & Seal)
	Name:
	Personally KnownOR Produced Identification
	Type of Identification

#### Exhibit A

#### HIGHLAND MEADOWS WEST PH 2 (130 LOTS) LEGAL DESCRIPTIONS

#### PARCEL 272708-727500-020170

TRACT 17 IN THE SOUTHEAST ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, MAP OF FLORIDA DEVELOPMENT CO. TRACT, ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

#### PARCEL 272708-727500-020180

TRACT 18 IN THE SE 1/4 OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, ACCORDING TO PLAT OF FLORIDA DEVELOPMENT COMPANY, AS PER MAP OR PLAT THEREOF RECORDED IN OFFICE OF CLERK OF CIRCUIT COURT OF POLK COUNTY, FLORIDA IN PLAT BOOK 3, PAGES 60 ET. SEQ.

#### PARCEL 272708-727500-020310

TRACTS 31 AND 32 IN THE SE ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF THE MAP OF FLORIDA DEVELOPMENT CO. TRACT, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

SUBJECT TO MAINTAINED PUBLIC ROAD RIGHT-OF-WAY, EASEMENTS OF RECORD, AND REAL PROPERTY TAXES FOR THE CURRENT YEAR.

#### PARCEL 272708-727500-020190

TRACTS 19 AND 30, IN THE SE ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF THE MAP OF FLORIDA DEVELOPMENT COMPANY'S SUBDIVISION, ACCORDING TO THE PLAT THERE OF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

CONTAINING 30.15 ACRES MORE OR LESS.

Prepared By and Return To

Roy Van Wyk, Esq. Hopping Green & Sams 119 South Monroe Street, Suite 300 Tallahassee, Florida 32301

## TEMPORARY CONSTRUCTION AND ACCESS EASEMENT AGREEMENT

#### (PHASE 3)

THIS	TEMPO	RARY	CONSTR	UCTION	N AND	ACCESS	$\mathbf{E}^{A}$	SEME	NT
AGREEME	NT ("Agreei	ment") is	made and e	entered in	nto this 8th	day of Janu	ary, 20	)20, by a	ınd
between			, a Florida			_, whose n	nailing	address	is
						("Grantor	") in	favor	of
HIGHLAND	MEADOV	VS WES	г сомми	JNITY I	<b>DEVELOP</b>	MENT DI	STRIC	CT, a lo	cal
unit of specia	l-purpose go	vernment	established	pursuant	t to Chapter	190, Florid	la Stati	utes, who	ose
address is c/o	Governmen	ntal Mana	gement Ser	vices-Ce	ntral Florid	a, LLC, 21	9 East	Livings	ton
Street, Orlan	do, Florida	32801 (	"Grantee"	or the	"District")	(Grantor	and C	Grantee	are
sometimes to	gether referre	ed to here	in as the "Pa	arties", a	nd separate	ly as the "P	arty").		

#### **WITNESSETH:**

WHEREAS, Grantor is the owner in fee simple of that certain real property located in the City of Haines City, Florida, being more particularly described on Exhibit "A" attached hereto and by this reference incorporated herein (the "Easement Area"); and

WHEREAS, Grantee intends to complete within the Easement Area, the design, installation and construction of roadway improvements, water, stormwater management facilities, sanitary sewer utilities, signage, neighborhood parks and recreational facilities, and other such improvements as authorized by law (collectively, the "Improvements"); and

WHEREAS, Grantor desires to grant to Grantee a temporary, non-exclusive construction and access easement on, upon, over, under, across, and through the Easement Area for the sole purpose of constructing the Improvements, until either construction of the Improvements is completed or the Grantee acquires the Easement Area, whichever occurs first.

**NOW, THEREFORE**, for and in consideration of Ten and No/100 Dollars (\$10.00) in hand paid by the Grantee to the Grantor, the mutual covenants and agreements herein set forth and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby expressly acknowledged by the Parties, the Parties do hereby agree as follows:

- 1. **Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference.
- 2. **Temporary Construction Easement.** Grantor does hereby grant, bargain, sell and convey to Grantee a temporary, non-exclusive easement on, upon, over, under, across and through the Easement Area for access, ingress, egress and to allow Grantee to complete the design, construction and installation of the Improvements (collectively, the "**Easement**").
- 3. **Term of Easement.** Upon the earlier of (i) the completion of all Improvements and the acceptance of such by the District's Board of Supervisors, or (ii) recordation of a release of the Easement in the Public Records of Polk County, Florida, then this Agreement shall automatically terminate and be extinguished and all rights in the Easement granted by this Agreement shall immediately revert to the Grantor, its successors, transferees and assigns, without further action of the Grantor or Grantee being required with respect to such Easement Area. Upon termination of this Agreement, as provided herein, and upon request by Grantor, Grantee shall promptly execute and deliver to Grantor a document in recordable form confirming termination of this Agreement and the Easement granted herein. Should the Grantee acquire the Easement Area from the Grantor prior to the occurrence of events (i) and (ii) enumerated herein, this Agreement shall automatically terminate and be extinguished and all rights in the Easement granted by this Agreement shall immediately vest in the Grantee, its successors, transferees and assigns, without further action of the Grantor or Grantee being required with respect to such Easement Area.
- 4. **Insurance and Indemnity.** Grantee and/or any contractors performing work for Grantee on the Easement Area, shall at all times maintain general public liability insurance to afford protection against any and all claims for personal injury, death or property damage arising directly or indirectly out of the exercise of the rights and privileges granted. Said insurance maintained by any contractors performing work for Grantee on the Easement Area shall be issued by solvent, reputable insurance companies authorized to do business in the State of Florida, naming Grantee and Grantor as insured, as their interests may appear, in a combined-single limit of not less than One Million and 00/100 Dollars (\$1,000,000.00) with respect to bodily injury or death and property damage. Said insurance shall also be primary, and not contributory, as to any insurance coverage maintained by Grantor. To the extent permitted by law and without waiving any of the protections afforded by section 768.28, *Florida Statutes*, Grantee hereby agrees to indemnify and hold harmless Grantor from and against any and all liability arising out of Grantee's construction activities within the Easement Area.
- 5. **Obligations of Grantor and Grantee.** The Parties acknowledge and agree that any rights granted hereunder shall be exercised by the Parties only in accordance and compliance with any and all applicable laws, ordinances, rules, regulations, permits and approvals, and any future modifications or amendments thereto. The Parties covenant and agree that neither party shall discharge into or within the Easement Area, any hazardous or toxic materials or substances, any pollutants, or any other substances or materials prohibited or regulated under any federal, state or local law, ordinance, rule, regulations or permit, except in accordance with such laws, ordinances, rules, regulations and permits. To the extent permitted by law and without waiving any of the protections afforded by section 768.28, *Florida Statutes*, each Party hereby agrees to indemnify and hold harmless the other Party from and against any and all liability arising out of

such Party's breach of any provision of this Agreement, including, without limitation, the matters set forth in this paragraph.

- 6. **Beneficiaries of Easement Rights.** The Easement set forth in this Agreement shall be for the sole benefit and use of Grantee, its successors and assigns, and Grantee's agents, employees, consultants, representatives, contractors and providers of emergency services and utility services.
- 7. Amendments and Waivers. This Agreement may not be terminated (except as provided in Section 3 of this Agreement) or amended, modified, altered, or changed in any respect whatsoever, except by a further agreement in writing duly executed by the Parties and recorded in the Public Records of Polk County, Florida. No delay or omission of any Party in the exercise of any right accruing upon any default of any Party shall impair such right or be construed to be a waiver thereof, and every such right may be exercised at any time during the continuance of such default. A waiver by any Party of a breach of, or a default in, any of the terms and conditions of this Agreement by any other Party shall not be construed to be a waiver of any subsequent breach of or default in the same or any other provision of this Agreement. No breach of the provisions of this Agreement shall entitle any Party to cancel, rescind or otherwise terminate this Agreement, but such limitation shall not affect, in any manner, any other rights or remedies which any Party may have by reason of any breach of the provisions of this Agreement.
- 8. **Notices.** Any notices which may be permitted or required hereunder shall be in writing and shall be deemed to have been duly given (i) three (3) days after depositing with the United States Postal Service, postage prepaid, (ii) one day after depositing with a nationally recognized overnight courier service, or (iii) on the day of hand delivery (provided such delivery occurs prior to 5:00 pm, E.S.T. or E.D.T., as applicable), to the address listed above or to such other address as either Party may from time to time designate by written notice in accordance with this paragraph.
- 9. **Use of Easement Area.** It is acknowledged and agreed that the Easement granted under this Agreement is not an exclusive easement and that Grantor shall have the right to use and enjoy the Easement Area in any manner not inconsistent with the easement rights created herein, and grant others the right to do so.
- 10. **Liens.** Grantee shall not permit (and shall promptly satisfy or bond) any construction, mechanic's lien or encumbrance against the Easement Area in connection with the exercise of rights hereunder.
- 11. **Effective Date.** The Effective Date of this Agreement shall be the last day that this Agreement is signed by either Party.
- 12. **Miscellaneous.** This Agreement contains the entire understanding of the Parties with respect to the matters set forth herein and no other agreement, oral or written, not set forth herein, nor any course of dealings of the Parties, shall be deemed to alter or affect the terms and conditions set forth herein. If any provision of this Agreement, or portion thereof, or the application thereof to any person or circumstances, shall, to the extent be held invalid, inoperative or unenforceable, the remainder of this Agreement, or the application of such

provision or portion thereof to any other persons or circumstances, shall not be affected thereby; it shall not be deemed that any such invalid provision affects the consideration for this Agreement; and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. This Agreement shall be construed in accordance with the laws of the State of Florida. Venue for any proceeding brought hereunder shall be Polk County, Florida. In the event of any dispute hereunder or of any action to interpret or enforce this Agreement, any provision hereof or any matter arising herefrom, the predominantly prevailing party shall be entitled to recover its reasonable attorneys' fees, costs and expenses, whether suit be brought or not, and whether in settlement, in any declaratory action, at trial or on appeal. The section headings in this Agreement are for convenience only, shall in no way define or limit the scope or content of this Agreement, and shall not be considered in any construction or interpretation of this Agreement or any part hereof. Where the sense of this Agreement requires, any reference to a term in the singular shall be deemed to include the plural of said term, and any reference to a term in the plural shall be deemed to include the singular of said term. Nothing in this Agreement shall be construed to make the Parties hereto partners or joint venturers or render either of said Parties liable for the debts or obligations of the other. This Agreement may be executed in counterparts, each of which shall constitute an original, but all taken together shall constitute one and the same Agreement. Time is of the essence of this Agreement. This Agreement shall be binding upon and inure to the benefit of Grantor and Grantee and their respective successors and assigns. The rights, privileges and Easement granted and conveyed hereunder shall be a burden upon the Easement Area and shall exist for the benefit of and run with title to the Easement Area.

[Signature Pages Follow]

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed as of the day and year first written above.

	"GRANTOR"
Signed, sealed and delivered in the presence of:	a Florida
Print Name:	By: Its:
Print Name:	
STATE OF FLORIDA COUNTY OF	
online notarization, this	wledged before me by means of $\square$ physical presence or $\square$ day of, by
	(Official Notary Signature & Seal)
	Name:
	Personally Known
	OR Produced Identification
	Type of Identification

#### "GRANTEE"

HIGHLAND MEADOWS WEST

### **COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special-purpose Signed, sealed and delivered government established pursuant to Chapter in the presence of: 190, Florida Statutes Print Name:\_\_\_\_\_ Warren K. "Rennie" Heath, II Chairperson, Board of Supervisors Print Name: STATE OF FLORIDA COUNTY OF \_\_\_\_\_ The foregoing instrument was acknowledged before me by means of □ physical presence or □ online notarization, this \_\_\_\_\_\_ day of \_\_\_\_\_\_\_, 20\_\_\_\_\_, by Warren K. "Rennie" Heath, II, as Chairperson for the Board of Supervisors of Highland Meadows West Community Development District. (Official Notary Signature & Seal) Name: \_\_\_\_\_ Personally Known \_\_\_\_\_\_OR Produced Identification \_\_\_\_\_ Type of Identification \_\_\_\_\_

#### Exhibit A

# HIGHLAND MEADOWS WEST PHASE 3 – 46 LOTS LEGAL DESCRIPTIONS

#### PHASE 3

TRACT 12 AND TRACT 13 IN THE SOUTHWEST ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF "FLORIDA DEVELOPMENT CO. TRACT", ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

#### LESS AND EXCEPT

BEGIN AT THE SOUTHWEST CORNER OF SAID TRACT 13 AND RUN THENCE ALONG THE WEST LINE THEREOF N-00°16'28"-W, 85.00 FEET; THENCE DEPARTING SAID WEST LINE S-26°43'51"-E, 95.39 FEET TO A POINT ON THE SOUTH LINE OF SAID TRACT 13; THENCE ALONG THE SOUTH LINE OF SAID TRACT 13 N-89°43'48"-W, 42.50 FEET TO THE POINT OF BEGINNING.

#### ALL BEING MORE PARTICULARLY DESCRIBED AS:

BEGIN AT A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT THE SOUTHEAST CORNER OF SAID TRACT 12 AND RUN ALONG THE SOUTH LINE OF SAID TRACT 12 AND CONTINUE ALONG THE SOUTH SAID TRACT 13, N-89°43'48"-W, 619.58 FEET; THENCE DEPARTING THE SOUTH LINE SAID TRACT 13, N-26°43'51"-W, 95.39 FEET TO A POINT ON THE WEST LINE OF SAID TRACT 13; THENCE ALONG SAID WEST LINE, N-00°16'28"-W, 560.39 FEET TO THE NORTHWEST CORNER OF SAID TRACT 13; THENCE ALONG THE NORTH LINE OF SAID TRACT 13 AND CONTINUE ALONG THE NORTH LINE OF SAID TRACT 12, S-89°42'13"-E, 661.52 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT THE NORTHEAST CORNER OF SAID TRACT 12; THENCE ALONG THE EAST LINE OF SAID TRACT 12, S-00°19'26"-E, 645.09 FEET TO THE POINT OF BEGINNING.

# SECTION V

#### **RESOLUTION 2020-02**

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT ADOPTING AND CONFIRMING THE SECOND SUPPLEMENTAL ASSESSMENT METHODOLOGY REPORT: ADOPTING AND CONFIRMING THE SECOND SUPPLEMENTAL **ENGINEER'S REPORT: 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 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 Board of Supervisors (the "Board") of the Highland Meadows West Community Development District (the "District") previously determined to undertake the construction and maintenance of certain infrastructure improvements, and evidenced its intent to defray the cost of such Improvements through the levy and collection of assessments against property within the District benefitted by the Improvements pursuant to Resolutions 2018-25, 2018-26, 2018-30, and 2019-05 (the Assessment Resolutions"); and

WHEREAS, On January 7, 2020, the Board of County Commissioners of Polk County Florida approved Ordinance \_\_\_\_\_\_, amending the external boundaries of the District to include an additional 9.76 acres of land (the "Expansion Parcel"); and

WHEREAS, the District hereby determines to undertake, install, plan, establish, construct or reconstruct, enlarge or extend, equip, acquire, operate, and/or maintain the infrastructure improvements described in the District's Second Supplemental Engineer's Report dated January 8, 2020, attached hereto as Exhibit A and incorporated herein by reference (the "Engineer's Report"); and

WHEREAS, the Engineer's Report details the scope and cost of public Improvements necessary to serve the Expansion Parcel ("Improvements"); and

WHEREAS, it is in the best interest of the District to pay the cost of the public Improvements by imposing and collecting special assessments pursuant to Chapter 190, *Florida Statutes* (the "Assessments") upon the Expansion Parcel; and

WHEREAS, the District is empowered by Chapter 190, the Uniform Community Development District Act, Chapter 170, Supplemental and Alternative Method of Making Local Municipal Improvements, and Chapter 197, the Uniform Method for the Levy, Collection, and Enforcement of Non-Ad Valorem Assessments, *Florida Statutes*, to finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate, and maintain the Public Improvements and to impose, levy and collect the Assessments; and

WHEREAS, the District hereby determines that benefits will accrue to the Expansion Parcel, the amount of those benefits, and that special assessments will be made in proportion to the benefits received as set forth in the *Second Supplemental Assessment Methodology*, dated January 8, 2020 (the "Assessment Report"), attached hereto as **Exhibit B** and incorporated herein by reference and on file at the office of the District Manager, c/o Governmental Management Services – Central Florida, LLC, 219 East Livingston Street, Orlando, Florida 32801 (the "District Records Office"); and

WHEREAS, the District hereby determines that the Assessments to be levied on the Expansion Parcel will not exceed the benefit to the property improved as set forth in the Assessment Report

## NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HIGHLAND MEADOWS WEST:

- 1. Assessments shall be levied to defray a portion of the cost of the Improvements benefitting the Expansion Parcel as specified in the Assessment Report.
- 2. The nature and general location of, and plans and specifications for, the Improvements benefitting the Expansion Parcel are described in **Exhibit A**, which is on file at the District Records Office. **Exhibit B** is also on file and available for public inspection at the same location.
- 3. The total estimated cost of the Improvements benefitting the Expansion Parcel is \_\_\_\_\_ (the "Estimated Cost").
- **4.** The Assessments will defray approximately \$\_\_\_\_\_\_, which includes the Estimated Cost, plus financing-related costs, capitalized interest and a debt service reserve.
- 5. The manner in which the Assessments shall be apportioned and paid is set forth in **Exhibit B**, including provisions for supplemental assessment resolutions.
- 6. The Assessments shall be levied, within the District, on all lots and lands adjoining and contiguous or bounding and abutting upon the Improvements or specially benefitted thereby and further designated by the assessment plat hereinafter provided for.
- 7. There is on file, at the District Records Office, an assessment plat showing the area to be assessed, with certain plans and specifications describing the Improvements and the estimated cost of the Improvements, all of which shall be open to inspection by the public.
- 8. Commencing with the year in which the Assessments are levied and confirmed, the Assessments shall be paid in not more than (30) thirty annual installments. 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 District to be in its best interest, the Assessments may be collected as is otherwise permitted by law.

- 9. The District Manager has caused to be made a preliminary assessment roll, in accordance with the method of assessment described in **Exhibit B** hereto, 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 assessment may be divided, which assessment roll is hereby adopted and approved as the District's preliminary assessment roll.
- 10. 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 therefore, or the amount thereof to be assessed against each property as improved.
- 11. The District Manager is hereby directed to cause this Resolution to be published twice (once a week for two (2) consecutive weeks) in a newspaper of general circulation within Polk County and to provide such other notice as may be required by law or desired in the best interests of the District.
- 12. This Resolution is intended to amend and supplement the Assessment Resolutions relating to the District's levy of special assessments on certain lands within the boundaries of the District benefitting from the Improvements. As such, all such prior resolutions, including but not limited to, Resolutions 2018-25, 2018-26, 2018-30 and 2019-05 remain in full force and effect, except to the extent provided for herein.
  - 13. This Resolution shall become effective upon its passage.
- 14. The invalidity or enforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

### PASSED AND ADOPTED this 8th day of January 2020.

Attest:		HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT		
Secretary/Assistant S	Secretary	Chairperson, Board of Supervisors		
Exhibit A: Comp. Exhibit B:	* *	Engineer's Report dated January 8, 2020 Assessment Methodology dated January 8, 2020		

## HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT

#### SECOND SUPPLEMENTAL ENGINEER'S REPORT FOR CAPITAL IMPROVEMENTS

#### Prepared for:

# BOARD OF SUPERVISORS HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT

#### Prepared by:

WOOD & ASSOCIATES ENGINEERING, LLC 1925 BARTOW ROAD LAKELAND, FL 33801 PH: 863-940-2040

**January 8, 2020** 

## HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT

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EXHIBIT 5- Zoning Map

EXHIBIT 6- Utility Location Map & Drainage Flow Pattern Map

EXHIBIT 7- Summary of Opinion of Probable Costs

**EXHIBIT 8- Summary of Proposed District Facilities** 

EXHIBIT 9- Overall Site Plan

# SECOND SUPPLEMENTAL ENGINEER'S REPORT HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT

#### I. INTRODUCTION

The Highland Meadows West Community Development District (the "District") is north of Patterson Road, east and west of Orchid Drive within Haines City (the "City"). The District currently contains approximately 97.67 acres and is expected to consist of 442 single family lots, recreation / amenity areas, parks, and associated infrastructure.

The CDD was established under County Ordinance No. 18-045 which was approved by the County Commission on July 10, 2018. The District will own and operate the public roadways and stormwater management facilities, as well as the landscape, irrigation, signage, and recreational facilities within the development. This Second Amended and Restated Engineer's Report amends the previously adopted Engineer's Report to reflect the addition of lands to the District by Ordinance \_\_\_\_\_, which was approved by the County on \_\_\_\_\_. The additional lands are reflected as part of Phase 3 consisting of 9.76 acres.

Public improvements and facilities financed, acquired, and/or constructed by the District will be designed and constructed to conform to regulatory criteria from the City, the County, Southwest Florida Water Management District (SWFWMD), and other applicable agencies with regulatory jurisdiction over the development. An overall estimate of probable cost of the public improvements is provided in Exhibit 7 of this report.

This "Capital Improvement Plan" or "Report" reflects the present intentions of the District and the landowners. It should be noted that the location of proposed facilities and improvements may be adjusted during the final design, permitting, and implementation phases. It should also be noted that these modifications are not expected to diminish the benefits received by the property within the District. The District reserves the right to make reasonable adjustments to the development plan to meet applicable regulatory requirements of agencies with jurisdiction over the development, while maintaining comparable level of

benefits to the lands served by the improvements. Changes and modifications are expected as changes in regulatory criteria are implemented.

Implementation of any proposed facilities or improvements outlined in this Report requires written approval from the District's Board of Supervisors. Estimated costs outlined in this report are based on best available information, which includes but is not limited to previous experience with similar projects. Actual costs could be different than estimates because final engineering and specific field conditions may affect construction costs.

All roadway improvements including sidewalks in the right-of-way and storm drainage collection systems (from the curb inlets to their connection to the Stormwater ponds) within the development will be maintained by the District. Water distribution and wastewater collection systems (gravity lines, force mains, and lift stations) will, upon completion, be dedicated to the City for ownership and maintenance.

#### II. PURPOSE AND SCOPE

The purpose of this Report is to provide engineering support to fund improvements in the District. This Report will identify the proposed public infrastructure to be constructed or acquired by the District along with an opinion of probable cost.

Contained within this Report is a brief description of the public infrastructure to be constructed or acquired by the District. The District will finance, construct, acquire, operate, and maintain all or specific portions of the proposed public infrastructure. An assessment methodology consultant has been retained by the District, who will develop the assessment and financing methodology to be applied using this Report.

The predominant portion of this Report provides descriptions of the proposed public infrastructure improvements, determination of estimated probable construction costs, and the corresponding benefits associated with the implementation of the described improvements. Detailed site construction plans and specifications have not yet been completed and permitted for the improvements described herein. The engineer has considered, and in specific instances has relied upon, the information and documentation prepared or supplied by others, and information that may have been provided by public entities, public employees, the landowner, site construction contractors, other engineering professionals, land surveyors, the District Board of Supervisors, and its staff and consultants.

#### III. THE DEVELOPMENT

The development will consist of 442 single family homes and associated infrastructure ("Development"). The Development is a planned residential community located north of Patterson Road, east and west of Orchid Drive within the City. Phase 1 and 2 of the development has a land use of LDR-NR (Low Density Residential) and a zoning of RPUD (Residential Planned Unit Development). Phase 3 was annexed from Polk County into the City by Ordinance No. 19-1655. RPUD zoning and LDR-NR land use for Phase 3 is pending approval by the City. The development will be constructed in three (3) phases.

#### IV. THE CAPITAL IMPROVEMENTS

The Capital Improvement Plan, (the "CIP"), consists of public infrastructure in Phases 1, 2, and 3. The primary portions of the CIP will entail stormwater pond construction, roadways built to an "urban" typical section, water and sewer facilities and off-site improvements (including turn lanes and extension of water and sewer mains to serve the development).

There will also be stormwater structures and conveyance culverts within the CIP which will outfall into the on-site retention ponds. These structures and pond areas comprise the overall stormwater facilities of the CIP. Installation of the water distribution and wastewater collection system will also occur at this time. Below ground installation of telecommunications and cable TV will occur, but will not be funded by the District. The CDD will enter into a lighting agreement with Duke Energy for the street light poles and lighting service. Only undergrounding of wire in public right-of-way on District Land is included.

As a part of the recreational component of the CIP, a public park/amenity center will be within the development west of Orchid Drive There will be smaller passive park areas on both sides of Orchid Drive within the development at strategic points for maximum utilization of the facilities. The public park/amenity center will have connectivity via sidewalks to the other portions of the District. The public park/amenity center will be accessed by the public roadways and sidewalks.

#### V. CAPITAL IMPROVEMENT PLAN COMPONENTS

The Capital Improvement Plan includes the following:

#### **Stormwater Management Facilities**

Stormwater management facilities consisting of storm conveyance systems and retention ponds are contained within the District boundaries. Stormwater runs off via roadway curb and gutter to storm inlets. Storm culverts convey the runoff into the proposed retention ponds for water quality treatment and attenuation. The proposed stormwater systems will utilize dry retention and wet retention for biological pollutant assimilation to achieve water quality treatment. The design criteria for the District's stormwater management systems is regulated by the City, the County, and the SWFWMD. There are no known surface waters.

Federal Emergency Management Agency Flood Insurance Rate Map (FEMA FIRM) Panel No. 12105C-0219G (dated 12/22/2016) demonstrates that the property is located within Flood Zone X. Based on this information and the site topography, it does appear that floodplain compensation will be required.

During the construction of stormwater management facilities, utilities and roadway improvements, the contractor will be required to adhere to a *Stormwater Pollution Prevention Plan* (SWPPP) as required by Florida Department of Environmental Protection (FDEP) as delegated by the Environmental Protection Agency (EPA). The SWPPP will be prepared to depict for the contractor the proposed locations of required erosion control measures and staked turbidity barriers specifically along the down gradient side of any proposed construction activity. The site contractor will be required to provide the necessary reporting on various forms associated with erosion control, its maintenance and any rainfall events that occur during construction activity.

#### **Public Roadways**

The proposed public roadway sections are to be 50' R/W with 24' of asphalt and Miami curb or Type F curb and gutter on both sides. The proposed roadway section will consist of stabilized subgrade, lime rock, crushed concrete or cement treated base and asphalt wearing surface. The proposed curb is to be 2' wide and placed along the edge of the proposed roadway section for purposes of protecting the integrity of the pavement and also to provide stormwater runoff conveyance to the proposed stormwater inlets.

The proposed roadways will also require signing and pavement markings within the public rights-of-way, as well as street signs depicting street name identifications, and addressing, which will be utilized by the residents and public. As stated above, the District's funding of roadway construction will occur for all public roadways.

#### **Water and Wastewater Facilities**

A potable water system inclusive of water main, gate valves, fire hydrants and appurtenances will be installed for the Development. The water service provider will be the City of Haines City Public Utilities. The water system will be a "looped" system. These facilities will be installed within the proposed public rights-of-way within the District. This water will provide the potable (domestic) and fire protection services which will serve the entire District.

A domestic wastewater collection system inclusive of gravity sanitary sewer mains and sewer laterals will be installed. The gravity sanitary sewer mains will be 8" diameter PVC. The gravity sanitary sewer lines will be placed inside of the proposed public rights-of-way, under the proposed paved roadways. Branching off from these sewer lines will be laterals to serve the individual lots. Lift stations are anticipated for this CIP. Flow from the lift station shall be connected to a proposed force main along Orchid Drive.

Reclaimed water is not available for this site. An irrigation well to be funded by the District will be installed onsite to provide irrigation within the public right of way or irrigation water service shall be provided as part of the domestic water system design. Any water, sewer, or reclaim water pipes or facilities placed on private property will not be publicly funded.

#### **Off-Site Improvements**

The District will provide funding for the anticipated turn lanes at the development entrance. The site construction activities associated with the CIP are anticipated for completion by phases based on the following estimated schedule: Phase 1 in 2019; Phase 2 in 2020; Phase 3 in 2020. Upon completion of each phase of these improvements, inspection/certifications will be obtained from the SWFWMD; the Polk County Health Department (water distribution system), Florida Department of Environmental Protection (FDEP) (wastewater collection) and the City/County.

#### **Amenities and Parks**

The District will provide funding for an Amenity Center to include the following: parking area, pavilion with restroom facilities, pool, tot lot, dog park/all-purpose play field, and walking trails between the phases to provide connectivity to the Amenity Center, and passive parks through out the development which will include benches and walking trails.

#### **Electric and Lighting**

The electric distribution system thru the District is currently planned to be underground. The District presently intends to fund the difference between overhead and underground service to the CDD. Electric facilities funded by the District will be owned and maintained by the District, with Duke Energy providing underground electrical service to the Development. The CDD will enter into a lighting agreement with Duke Energy for the street light poles and lighting service. Only undergrounding of wire in public right-of-way on District land is included.

#### **Entry Feature, Landscaping, and Irrigation**

Landscaping, irrigation, entry features and walls at the entrances and along the outside boundary of the Development will be provided by the District. The irrigation system will use an irrigation well. The well and irrigation watermains to the various phases of the development will be constructed or acquired by the CDD with District funds and operated and maintained by the CDD. Landscaping for the roadways will consist of sod, annual flowers, shrubs, ground cover and trees for the internal roadways within the CDD. Perimeter fencing will be provided at the site entrances and perimeters. These items will be funded, owned and maintained by the CDD.

#### **Miscellaneous**

The stormwater improvements, landscaping and irrigation, recreational improvements, street lighting, and certain permits and professional fees as described in this report, are being financed by the District with the intention for benefiting all of the developable real property within the District. The construction and maintenance of the proposed public improvements will benefit the development for the intended use as a single-family planned development.

#### VI. PERMITTING

Construction permits for all phases are required and include the SWFWMD Environmental Resource Permit (ERP), Polk County Health Department, Florida Department of Environmental Protection (FDEP), Army Corps of Engineer Permit (ACOE), and City construction plan approval.

Following is a summary of required permits obtained and pending for the construction of the public infrastructure improvements for the District:

#### **PHASE 1 (266 Lots)**

Permits / Approvals	Approval / Expected Date
Zoning Approval	Approved
Preliminary Plat	Approved
SWFWMD ERP	Approved
Construction Permits	Approved
Polk County Health Department Water	Approved
FDEP Sewer	Approved
FDEP NOI	Approved
ACOE	N/A

#### **PHASE 2 (130 Lots)**

Permits / Approvals	Approval / Expected Date
Zoning Approval	Approved
Preliminary Plat	Approved
SWFWMD ERP	October 2019
Construction Permits	October 2019
Polk County Health Department Water	October 2019
FDEP Sewer	October 2019
FDEP NOI	October 2019
ACOE	N/A

PHASE 3 (46 Lots)

Permits / Approvals	Approval / Expected Date
Zoning Approval	November 2019
Preliminary Plat	November 2019
SWFWMD ERP	January 2020
Construction Permits	January 2020
Polk County Health Department Water	January 2020
FDEP Sewer	January 2020
FDEP NOI	January 2020
ACOE	January 2020

#### VII. RECOMMENDATION

As previously described within this report, the public infrastructure as described is necessary for the development and functional operation as required by the City. The site planning, engineering design and construction plans for the infrastructure are in accordance with the applicable requirements of the City of Haines City, and the SWFWMD. It should be noted that the infrastructure will provide its intended use and function so long as the construction and installation is in substantial conformance with the design construction plans and regulatory permits.

Items utilized in the *Opinion of Probable Costs* for this report are based upon proposed plan infrastructure as shown on construction drawings incorporating specifications in the most current SWFWMD and the City regulations.

#### VIII. REPORT MODIFICATION

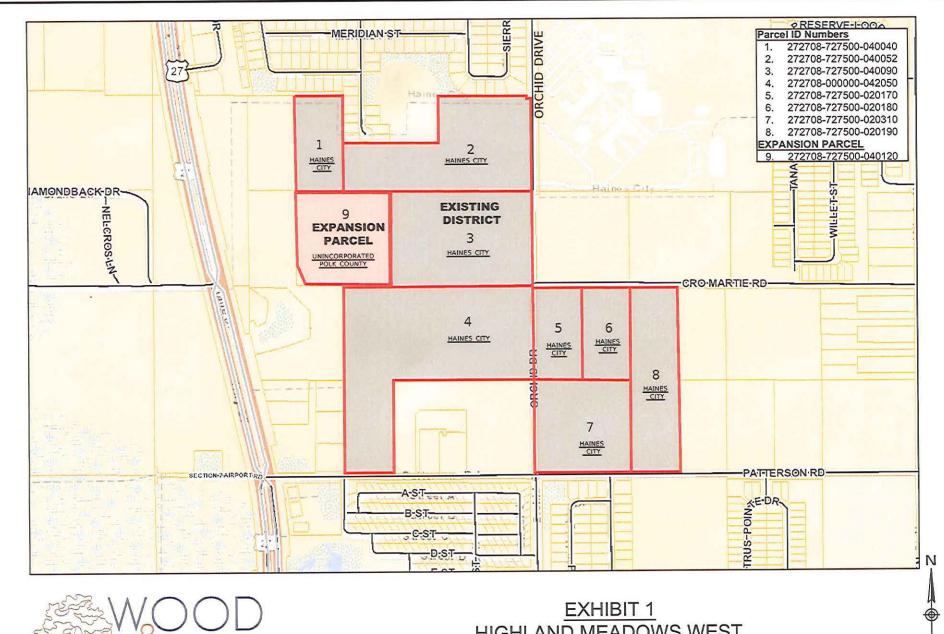
During development and implementation of the public infrastructure improvements as described for the District, it may be necessary to make modifications and/or deviations for the plans. However, if such deviations and/or revisions do not change the overall primary objective of the plan for such improvements, then the costs differences would not materially affect the proposed cost estimates.

#### IX. CONCLUSION

It is our professional opinion that the public infrastructure costs for the CIP provided in this Report are reasonable to complete the construction of the public infrastructure improvements. Furthermore, the public infrastructure improvements will benefit and add value to lands within the District at least equal to the costs of such improvements.

The *Opinion of Probable Costs* of the public infrastructure improvements is only an estimate and is not a guaranteed maximum price. The estimated costs are based upon unit prices currently experienced on an ongoing and similar basis for work in the County. However, labor market, future costs of equipment, materials, changes to the regulatory permitting agencies activities, and the actual construction processes employed by the chosen site contractor are beyond the engineer's control. Due to this inherent opportunity for changes (upward or downward) in the construction costs, the total, final construction cost may be more or less than this estimate.

Based upon the presumption that the CIP construction continues in a timely manner, it is our professional opinion that the proposed public infrastructure improvements when constructed and built in substantial conformance with the approved plans and specifications, can be completed and used for their intended function. Be advised that we have utilized historical costs and direct unit costs from site contractors and consultants in the County, which we believe to be necessary in order to facilitate accuracy associated with the *Opinion of Probable Costs*. Based upon the information above, it is our professional opinion that the acquisition and construction costs of the proposed CIP can be completed at the cost as stated.





1925 BARTOW ROAD \* LAKELAND, FL 33801 OFFICE: (863) 940-2040 • FAX: (863) 940-2044 • CELL: (863) 662-0018 EMAIL: INFO@WOODCIVIL.COM

HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT **LOCATION MAP** 



SCALE

### EXISTING DISTRICT LEGAL DESCRIPTION

TRACT 4 IN THE SW ¼ OF SECTION 8 TOWNSHIP 27 SOUTH, RANGE 27 EAST, FLORIDA DEVELOPMENT CO. TRACT, ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA; AND THE SOUTH ½ OF CLOSED ROAD LYING ALONG THE NORTH BOUNDARY THEREOF AS RECORDED IN O.R. BOOK 4200, PAGE 569, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

#### AND

TRACTS 7 AND 8 AND THE SOUTH ½ OF TRACTS 5 AND 6 IN THE SOUTHWEST ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, ALL BEING A PART OF FLORIDA DEVELOPMENT CO. TRACT, ACCORDING TO THE MAP OR PLAT THEREOF, AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, AND THE SOUTH ½ OF CLOSED ROAD LYING ALONG THE NORTH BOUNDARY OF LOTS 7 AND 8 AS DESCRIBED IN O.R. BOOK 4200, PAGE 569; LESS ROAD RIGHT-OF-WAY FOR ORCHID DRIVE AND LESS ADDITIONAL RIGHT-OF-WAY SET FORTH IN MAP BOOK 17, PAGES 78-86, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

#### AND

TRACTS 9, 10, AND 11, IN THE SW ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, FLORIDA DEVELOPMENT CO. TRACT, ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, BEING LOCATED IN THE SE ¼ OF THE NE ¼ OF THE SW ¼ AND THE EAST ½ OF THE SW ¼ OF THE NE ¼ OF THE SW ¼ OF SECTION 8.

#### AND

THE SOUTHEAST ¼ OF THE SOUTHWEST ¼, LESS THE EAST ¾ OF THE SOUTH ½ AND LESS MAINTAINED RIGHT-OF-WAY, IN SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA.

#### AND

TRACT 17 IN THE SOUTHEAST ½ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, MAP OF FLORIDA DEVELOPMENT CO. TRACT, ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

#### <u>AND</u>

TRACT 18 IN THE SE ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, ACCORDING TO PLAT OF FLORIDA DEVELOPMENT COMPANY, AS PER MAP OR PLAT THEREOF RECORDED IN OFFICE OF CLERK OF CIRCUIT COURT OF POLK COUNTY, FLORIDA IN PLAT BOOK 3, PAGES 60 ET. SEQ.

#### AND

TRACTS 31 AND 32 IN THE SE ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF THE MAP OF FLORIDA DEVELOPMENT CO. TRACT, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

#### AND

TRACTS 19 AND 30, IN THE SE ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF THE MAP OF FLORIDA DEVELOPMENT COMPANY'S SUBDIVISION, ACCORDING TO THE PLAT THERE OF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

CONTINUED ON PAGE 2 OF 3



EXHIBIT 2 - EXISTING DISTRICT

HIGHLAND MEADOWS WEST

COMMUNITY DEVELOPMENT DISTRICT

LEGAL DESCRIPTION

#### ALL BEING MORE PARTICULARLY DESCRIBED AS:

BEGIN AT A 4" X 4" CONCRETE MONUMENT AND CAP "LB 5486" STANDING AT THE INTERSECTION OF THE NORTH LINE OF THE SOUTHWEST ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST POLK COUNTY, FLORIDA AND THE WESTERLY RIGHT-OF-WAY OF ORCHID DRIVE ACCORDING TO PLAT BOOK 126, PAGES 27 AND 28, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, AND RUN THENCE ALONG SAID WESTERLY RIGHT-OF-WAY THE FOLLOWING TWO (2) COURSES: 1) S-00°23'53"-E, 15.00 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 2) S-89°40'39"-E, 19.67 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING ON THE WESTERLY MAINTAINED RIGHT-OF-WAY OF ORCHID DRIVE ACCORDING TO MAP BOOK 17, PAGES 78 TO 86 (INCLUSIVE), PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE ALONG SAID WESTERLY MAINTAINED RIGHT-OF-WAY THE FOLLOWING FOUR (4) COURSES: 1) S-00°33'47"-E, 196.32 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 2) S-00°03'38"-E, 448.01 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 3) S-00°01'10"-E, 339.80 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 4) S-00°03'05"-W, 305.12 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING ON THE SOUTH LINE OF SAID TRACT 9, SAID POINT IS HEREBY DESIGNATED "POINT-A" TO BE USED HEREINAFTER; THENCE DEPARTING SAID WESTERLY MAINTAINED RIGHT-OF-WAY, AND ALONG THE SOUTH LINE OF SAID TRACTS 9, 10, 11, 12, AND 13, N-89°43'48"-W, 1585.69 FEET; THENCE DEPARTING SAID SOUTH LINE, N-26°43'51"-W, 95.39 FEET TO A POINT ON THE WEST LINE SAID TRACT 13; THENCE ALONG SAID WEST LINE AND THE WEST LINE OF SAID TRACT 4 AND ITS NORTHERLY PROJECTION, N-00°16'28"-W, 1220.78 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHWEST ¼ OF SAID SECTION 8; THENCE ALONG SAID NORTH LINE S-89°40'39"-E, 330.48 FEET TO A POINT ON THE NORTHERLY PROJECTION OF THE EAST LINE OF SAID TRACT 4; THENCE ALONG THE WEST LINE OF SAID TRACT 4, AND ITS NORTHERLY PROJECTION, S-00°17'57"-E, 330.12 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING ON THE NORTH LINE OF THE SOUTH ½ OF SAID TRACT 5; THENCE ALONG SAID NORTH LINE, AND ALONG THE NORTH LINE OF THE SOUTH ½ OF SAID TRACT 6, S-89°41'26"-E, 661.24 FEET TO A 4" X 4" CONCRETE MONUMENT WITH NO IDENTIFICATION STANDING ON THE WEST LINE OF SAID TRACT 7; THENCE ALONG SAID WEST LINE, AND ITS NORTHERLY PROJECTION N-00°20'56"-W, 329.97 FEET TO A 5/8" IRON ROD AND CAP "LB 6512" STANDING ON THE NORTH LINE OF THE SOUTHWEST ¼ OF SAID SECTION 8, THENCE ALONG SAID NORTH LINE, N-89°40'39"-W, 621.00 FEET TO THE POINT OF BEGINNING.

#### AND

COMMENCE AT PREVIOUSLY DESIGNATED "POINT-A" AND RUN THENCE S-00°05'11"-E, 15.00 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT THE INTERSECTION OF THE NORTH LINE OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, AND THE WESTERLY MAINTAINED RIGHT-OF-WAY OF ORCHID DRIVE ACCORDING TO THE MAP BOOK 17, PAGES 78-86 (INCLUSIVE), PUBLIC RECORDS OF POLK COUNTY, FLORIDA, SAID POINT IS ALSO THE POINT OF BEGINNING; THENCE ALONG SAID WESTERLY MAINTAINED RIGHT-OF-WAY THE FOLLOWING THREE (3) COURSES: 1) S-00°03'39"-W, 190.08 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 2) S-00°12'52"-E, 241.43 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 3) S-00°24'46"-E, 228.13 FEET TO A 5/8" IRON ROD AND CAP" LB 8126" STANDING AT IT INTERSECTION WITH THE NORTH LINE OF THE EAST ¾ OF THE SOUTH ½ OF THE SOUTHEAST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 8; THENCE DEPARTING SAID WESTERLY MAINTAINED RIGHT-OF-WAY, AND ALONG SAID NORTH LINE, N-89°45'22"-W, 964.66 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING ON THE EAST LINE OF THE EAST ¼ OF THE SOUTH ½ OF THE SOUTHEAST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 8, THENCE ALONG SAID EAST LINE, S-00°19'26"-E, 650.73 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING ON THE NORTHERLY MAINTAINED RIGHT-OF-WAY OF PATTERSON ROAD ACCORDING TO THE MAP BOOK 17, PAGES 74-77 (INCLUSIVE), PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE ALONG SAID NORTHERLY MAINTAINED RIGHT-OF-WAY, S-89°49'12"-W, 331.60 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT ITS INTERSECTION WITH THE WEST LINE OF THE SOUTHEAST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 8; THENCE ALONG SAID WEST LINE, N-00°17'57"-W, 1313.42 FEET TO A 5/8" IRON ROD AND CAP" LB 8126" STANDING ON THE NORTH LINE OF THE SOUTHEAST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 8; THENCE ALONG SAID NORTH LINE, S-89° 43'48"-E, 1297.09 FEET TO THE POINT OF BEGINNING.

CONTINUED ON PAGE 3 OF 3



**EXHIBIT 2 - EXISTING DISTRICT** 

HIGHLAND MEADOWS WEST
COMMUNITY DEVELOPMENT DISTRICT
LEGAL DESCRIPTION

#### ALSO AND

COMMENCE AT PREVIOUSLY DESIGNATED "POINT-A" AND RUN THENCE S-54°26'27"-E, 51.90 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT THE INTERSECTION OF THE NORTH LINE OF SAID TRACTS 17, 18, AND 19 AND THE EASTERLY MAINTAINED RIGHT-OF-WAY OF ORCHID DRIVE, ACCORDING TO THE MAP BOOK 17, PAGES 78-86 (INCLUSIVE), PUBLIC RECORDS OF POLK COUNTY, FLORIDA SAID POINT IS ALSO THE POINT OF BEGINNING; THENCE ALONG SAID NORTH LINE S-89°47'38"-E, 980.61 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT THE NORTHEAST CORNER OF SAID TRACT 19; THENCE ALONG THE EAST LINE OF SAID TRACT 19, AND CONTINUING ALONG THE EAST LINE OF SAID TRACT 30, S-00°20'45"-E, 1283.28 FEET TO A P.K. NAIL AND DISK "LB 8126" STANDING ON THE NORTHERLY MAINTAINED RIGHT-OF-WAY OF PATTERSON ROAD ACCORDING TO THE MAP BOOK 17, PAGES 74-77 (INCLUSIVE), PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE ALONG SAID NORTHERLY MAINTAINED RIGHT-OF-WAY THE FOLLOWING THREE (3) COURSES: 1) S-89°51'37"-W, 958.19 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 2) N-46°48'21"-W, 18.40 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 3) N-31°41'13"-W, 15.08 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT ITS INTERSECTION WITH SAID EASTERLY MAINTAINED RIGHT-OF-WAY OF SAID ORCHID DRIVE; THENCE ALONG SAID EASTERLY MAINTAINED RIGHT-OF-WAY, N-00°23'59"-W, 1263.72 FEET TO THE POINT OF BEGINNING.

#### AND LESS

TRACT 12 AND TRACT 13 IN THE SOUTHWEST ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF "FLORIDA DEVELOPMENT CO. TRACT", ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

#### **LESS AND EXCEPT**

**BEGIN** AT THE SOUTHWEST CORNER OF SAID TRACT 13 AND RUN THENCE ALONG THE WEST LINE THEREOF N-00°16'28"-W, 85.00 FEET; THENCE DEPARTING SAID WEST LINE S-26°43'51"-E, 95.39 FEET TO A POINT ON THE SOUTH LINE OF SAID TRACT 13; THENCE ALONG THE SOUTH LINE OF SAID TRACT 13 N-89°43'48"-W, 42.50 FEET TO THE **POINT OF BEGINNING**.

#### ALL BEING MORE PARTICULARLY DESCRIBED AS:

BEGIN AT A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT THE SOUTHEAST CORNER OF SAID TRACT 12 AND RUN ALONG THE SOUTH LINE OF SAID TRACT 12 AND CONTINUE ALONG THE SOUTH SAID TRACT 13, N-89°43'48"-W, 619.58 FEET; THENCE DEPARTING THE SOUTH LINE SAID TRACT 13, N-26°43'51"-W, 95.39 FEET TO A POINT ON THE WEST LINE OF SAID TRACT 13; THENCE ALONG SAID WEST LINE, N-00°16'28"-W, 560.39 FEET TO THE NORTHWEST CORNER OF SAID TRACT 13; THENCE ALONG THE NORTH LINE OF SAID TRACT 13 AND CONTINUE ALONG THE NORTH LINE OF SAID TRACT 12, S-89°42'13"-E, 661.52 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT THE NORTHEAST CORNER OF SAID TRACT 12; THENCE ALONG THE EAST LINE OF SAID TRACT 12, S-00°19'26"-E, 645.09 FEET TO THE POINT OF BEGINNING.

CONTAINING 87.91 ACRES MORE OR LESS.



EXHIBIT 2 - EXISTING DISTRICT

HIGHLAND MEADOWS WEST

COMMUNITY DEVELOPMENT DISTRICT

LEGAL DESCRIPTION

## EXPANSION PARCEL LEGAL DESCRIPTION

TRACT 12 AND TRACT 13 IN THE SOUTHWEST ½ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF "FLORIDA DEVELOPMENT CO. TRACT", ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

#### **LESS AND EXCEPT**

**BEGIN** AT THE SOUTHWEST CORNER OF SAID TRACT 13 AND RUN THENCE ALONG THE WEST LINE THEREOF N-00°16'28"-W, 85.00 FEET; THENCE DEPARTING SAID WEST LINE S-26°43'51"-E, 95.39 FEET TO A POINT ON THE SOUTH LINE OF SAID TRACT 13; THENCE ALONG THE SOUTH LINE OF SAID TRACT 13 N-89°43'48"-W, 42.50 FEET TO THE **POINT OF BEGINNING**.

#### ALL BEING MORE PARTICULARLY DESCRIBED AS:

BEGIN AT A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT THE SOUTHEAST CORNER OF SAID TRACT 12 AND RUN ALONG THE SOUTH LINE OF SAID TRACT 12 AND CONTINUE ALONG THE SOUTH SAID TRACT 13, N-89°43'48"-W, 619.58 FEET; THENCE DEPARTING THE SOUTH LINE SAID TRACT 13, N-26°43'51"-W, 95.39 FEET TO A POINT ON THE WEST LINE OF SAID TRACT 13; THENCE ALONG SAID WEST LINE, N-00°16'28"-W, 560.39 FEET TO THE NORTHWEST CORNER OF SAID TRACT 13; THENCE ALONG THE NORTH LINE OF SAID TRACT 13 AND CONTINUE ALONG THE NORTH LINE OF SAID TRACT 12, S-89°42'13"-E, 661.52 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT THE NORTHEAST CORNER OF SAID TRACT 12; THENCE ALONG THE EAST LINE OF SAID TRACT 12, S-00°19'26"-E, 645.09 FEET TO THE POINT OF BEGINNING.

CONTAINING 9.76 ACRES MORE OR LESS.



EXHIBIT 2 - EXPANSION PARCEL

HIGHLAND MEADOWS WEST

COMMUNITY DEVELOPMENT DISTRICT

LEGAL DESCRIPTION

## OVERALL LEGAL DESCRIPTION AFTER EXPANSION

TRACT 4 IN THE SW ¼ OF SECTION 8 TOWNSHIP 27 SOUTH, RANGE 27 EAST, FLORIDA DEVELOPMENT CO. TRACT, ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA; AND THE SOUTH ½ OF CLOSED ROAD LYING ALONG THE NORTH BOUNDARY THEREOF AS RECORDED IN O.R. BOOK 4200, PAGE 569, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

#### AND

TRACTS 7 AND 8 AND THE SOUTH ½ OF TRACTS 5 AND 6 IN THE SOUTHWEST ½ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, ALL BEING A PART OF FLORIDA DEVELOPMENT CO. TRACT, ACCORDING TO THE MAP OR PLAT THEREOF, AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, AND THE SOUTH ½ OF CLOSED ROAD LYING ALONG THE NORTH BOUNDARY OF LOTS 7 AND 8 AS DESCRIBED IN O.R. BOOK 4200, PAGE 569; LESS ROAD RIGHT-OF-WAY FOR ORCHID DRIVE AND LESS ADDITIONAL RIGHT-OF-WAY SET FORTH IN MAP BOOK 17, PAGES 78-86, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

#### AND

TRACTS 9, 10, AND 11, IN THE SW ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, FLORIDA DEVELOPMENT CO. TRACT, ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, BEING LOCATED IN THE SE ¼ OF THE NE ¼ OF THE SW ¼ AND THE EAST ½ OF THE SW ¼ OF THE NE ¼ OF THE SW ¼ OF SECTION 8.

#### AND

THE SOUTHEAST ¼ OF THE SOUTHWEST ¼, LESS THE EAST ¼ OF THE SOUTH ½ AND LESS MAINTAINED RIGHT-OF-WAY, IN SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA.

#### AND

TRACT 17 IN THE SOUTHEAST ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, MAP OF FLORIDA DEVELOPMENT CO. TRACT, ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

#### AND

TRACT 18 IN THE SE ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, ACCORDING TO PLAT OF FLORIDA DEVELOPMENT COMPANY, AS PER MAP OR PLAT THEREOF RECORDED IN OFFICE OF CLERK OF CIRCUIT COURT OF POLK COUNTY, FLORIDA IN PLAT BOOK 3, PAGES 60 ET. SEQ.

#### AND

TRACTS 31 AND 32 IN THE SE ½ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF THE MAP OF FLORIDA DEVELOPMENT CO. TRACT, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

#### AND

TRACTS 19 AND 30, IN THE SE ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF THE MAP OF FLORIDA DEVELOPMENT COMPANY'S SUBDIVISION, ACCORDING TO THE PLAT THERE OF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

CONTINUED ON PAGE 2 OF 3



**EXHIBIT 2 - OVERALL AMENDED DISTRICT** 

HIGHLAND MEADOWS WEST
COMMUNITY DEVELOPMENT DISTRICT
LEGAL DESCRIPTION

#### AND TOGETHER WITH

TRACT 12 AND TRACT 13 IN THE SOUTHWEST ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF "FLORIDA DEVELOPMENT CO. TRACT", ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

#### LESS AND EXCEPT

**BEGIN** AT THE SOUTHWEST CORNER OF SAID TRACT 13 AND RUN THENCE ALONG THE WEST LINE THEREOF N-00°16'28"-W, 85.00 FEET; THENCE DEPARTING SAID WEST LINE S-26°43'51"-E, 95.39 FEET TO A POINT ON THE SOUTH LINE OF SAID TRACT 13; THENCE ALONG THE SOUTH LINE OF SAID TRACT 13 N-89°43'48"-W, 42.50 FEET TO THE **POINT OF BEGINNING**.

#### ALL BEING MORE PARTICULARLY DESCRIBED AS:

BEGIN AT A 4" X 4" CONCRETE MONUMENT AND CAP "LB 5486" STANDING AT THE INTERSECTION OF THE NORTH LINE OF THE SOUTHWEST ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST POLK COUNTY, FLORIDA AND THE WESTERLY RIGHT-OF-WAY OF ORCHID DRIVE ACCORDING TO PLAT BOOK 126, PAGES 27 AND 28, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, AND RUN THENCE ALONG SAID WESTERLY RIGHT-OF-WAY THE FOLLOWING TWO (2) COURSES: 1) S-00°23'53"-E, 15.00 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 2) S-89°40'39"-E, 19.67 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING ON THE WESTERLY MAINTAINED RIGHT-OF-WAY OF ORCHID DRIVE ACCORDING TO MAP BOOK 17, PAGES 78 TO 86 (INCLUSIVE), PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE ALONG SAID WESTERLY MAINTAINED RIGHT-OF-WAY THE FOLLOWING FOUR (4) COURSES: 1) S-00°33'47"-E, 196.32 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 2) S-00°03'38"-E, 448.01 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 3) S-00°01'10"-E, 339.80 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 4) S-00°03'05"-W, 305.12 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING ON THE SOUTH LINE OF SAID TRACT 9, SAID POINT IS HEREBY DESIGNATED "POINT-A" TO BE USED HEREINAFTER; THENCE DEPARTING SAID WESTERLY MAINTAINED RIGHT-OF-WAY, AND ALONG THE SOUTH LINE OF SAID TRACTS 9, 10, 11, 12, AND 13, N-89°43'48"-W, 1585.69 FEET; THENCE DEPARTING SAID SOUTH LINE, N-26°43'51"-W, 95.39 FEET TO A POINT ON THE WEST LINE SAID TRACT 13; THENCE ALONG SAID WEST LINE AND THE WEST LINE OF SAID TRACT 4 AND ITS NORTHERLY PROJECTION, N-00°16'28"-W, 1220.78 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHWEST ¼ OF SAID SECTION 8; THENCE ALONG SAID NORTH LINE S-89°40'39"-E, 330.48 FEET TO A POINT ON THE NORTHERLY PROJECTION OF THE EAST LINE OF SAID TRACT 4; THENCE ALONG THE WEST LINE OF SAID TRACT 4, AND ITS NORTHERLY PROJECTION, S-00°17'57"-E, 330.12 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING ON THE NORTH LINE OF THE SOUTH ½ OF SAID TRACT 5; THENCE ALONG SAID NORTH LINE, AND ALONG THE NORTH LINE OF THE SOUTH ½ OF SAID TRACT 6, S-89°41'26"-E, 661.24 FEET TO A 4" X 4" CONCRETE MONUMENT WITH NO IDENTIFICATION STANDING ON THE WEST LINE OF SAID TRACT 7; THENCE ALONG SAID WEST LINE, AND ITS NORTHERLY PROJECTION N-00°20'56"-W, 329.97 FEET TO A 5/8" IRON ROD AND CAP "LB 6512" STANDING ON THE NORTH LINE OF THE SOUTHWEST ¼ OF SAID SECTION 8, THENCE ALONG SAID NORTH LINE, N-89°40'39"-W, 621.00 FEET TO THE POINT OF BEGINNING.

#### <u>AND</u>

COMMENCE AT PREVIOUSLY DESIGNATED "POINT-A" AND RUN THENCE S-00°05'11"-E, 15.00 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT THE INTERSECTION OF THE NORTH LINE OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, AND THE WESTERLY MAINTAINED RIGHT-OF-WAY OF ORCHID DRIVE ACCORDING TO THE MAP BOOK 17, PAGES 78-86 (INCLUSIVE), PUBLIC RECORDS OF POLK COUNTY, FLORIDA, SAID POINT IS ALSO THE POINT OF BEGINNING; THENCE ALONG SAID WESTERLY MAINTAINED RIGHT-OF-WAY THE FOLLOWING THREE (3) COURSES: 1) S-00°03'39"-W, 190.08 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 2) S-00°12'52"-E, 241.43 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 3) S-00°24'46"-E, 228.13 FEET TO A 5/8" IRON ROD AND CAP" LB 8126" STANDING AT IT INTERSECTION WITH THE NORTH LINE OF THE EAST ¾ OF THE SOUTH ½ OF THE SOUTHEAST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 8; THENCE DEPARTING SAID WESTERLY MAINTAINED RIGHT-OF-WAY, AND ALONG SAID NORTH LINE, N-89°45'22"-W, 964.66 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING ON THE EAST LINE OF THE EAST ¾ OF THE SOUTH ½ OF THE SOUTHEAST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 8, THENCE ALONG SAID EAST LINE, S-00°19'26"-E, 650.73 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING ON THE NORTHERLY MAINTAINED RIGHT-OF-WAY OF PATTERSON ROAD ACCORDING TO THE MAP BOOK 17, PAGES 74-77 (INCLUSIVE), PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE ALONG SAID NORTHERLY MAINTAINED RIGHT-OF-WAY, S-89°49'12"-W, 331.60 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT ITS INTERSECTION WITH THE WEST LINE OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 8; THENCE ALONG SAID WEST LINE, N-00°17'57"-W, 1313.42 FEET TO A 5/8" IRON ROD AND CAP" LB 8126" STANDING ON THE NORTH LINE OF THE SOUTHEAST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 8; THENCE ALONG SAID NORTH LINE, S-89° 43'48"-E, 1297.09 FEET TO THE POINT OF BEGINNING.

CONTINUED ON PAGE 3 OF 3



EXHIBIT 2 - OVERALL AMENDED DISTRICT

HIGHLAND MEADOWS WEST
COMMUNITY DEVELOPMENT DISTRICT
LEGAL DESCRIPTION

#### ALSO AND

COMMENCE AT PREVIOUSLY DESIGNATED "POINT-A" AND RUN THENCE S-54°26'27"-E, 51.90 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT THE INTERSECTION OF THE NORTH LINE OF SAID TRACTS 17, 18, AND 19 AND THE EASTERLY MAINTAINED RIGHT-OF-WAY OF ORCHID DRIVE, ACCORDING TO THE MAP BOOK 17, PAGES 78-86 (INCLUSIVE), PUBLIC RECORDS OF POLK COUNTY, FLORIDA SAID POINT IS ALSO THE POINT OF BEGINNING; THENCE ALONG SAID NORTH LINE S-89°47'38"-E, 980.61 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT THE NORTHEAST CORNER OF SAID TRACT 19; THENCE ALONG THE EAST LINE OF SAID TRACT 19, AND CONTINUING ALONG THE EAST LINE OF SAID TRACT 30, S-00°20'45"-E, 1283.28 FEET TO A P.K. NAIL AND DISK "LB 8126" STANDING ON THE NORTHERLY MAINTAINED RIGHT-OF-WAY OF PATTERSON ROAD ACCORDING TO THE MAP BOOK 17, PAGES 74-77 (INCLUSIVE), PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE ALONG SAID NORTHERLY MAINTAINED RIGHT-OF-WAY THE FOLLOWING THREE (3) COURSES: 1) S-89°51'37"-W, 958.19 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 2) N-46°48'21"-W, 18.40 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 2) N-46°48'21"-W, 18.40 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 3) N-31°41'13"-W, 15.08 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 3) N-31°41'13"-W, 15.08 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 3) N-31°41'13"-W, 15.08 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE ALONG SAID EASTERLY MAINTAINED RIGHT-OF-WAY, N-00°23'59"-W, 1263.72 FEET TO THE POINT OF BEGINNING.

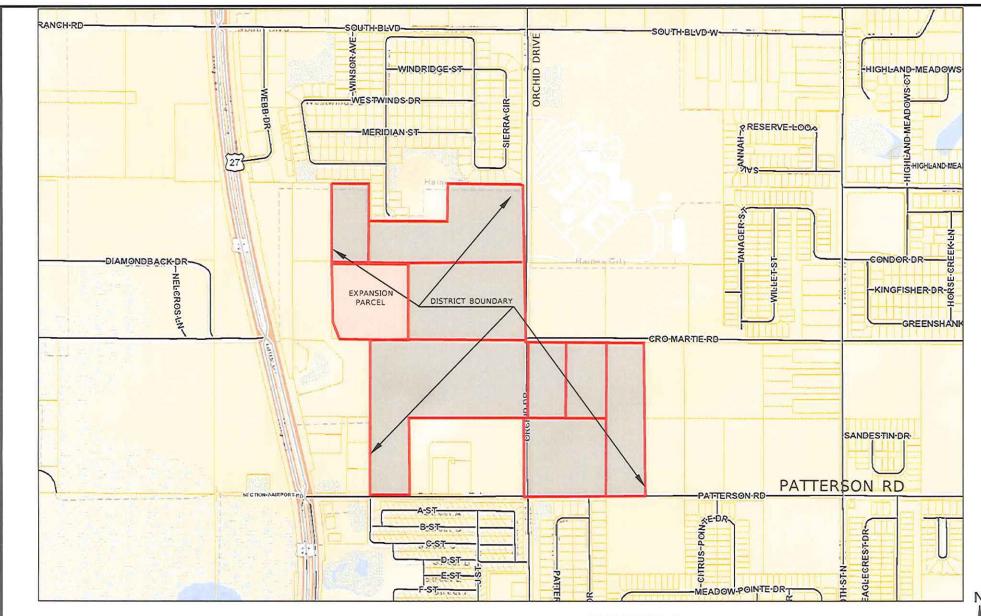
CONTAINING 97.67 ACRES MORE OR LESS.



EXHIBIT 2 - OVERALL AMENDED DISTRICT

HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT LEGAL DESCRIPTION

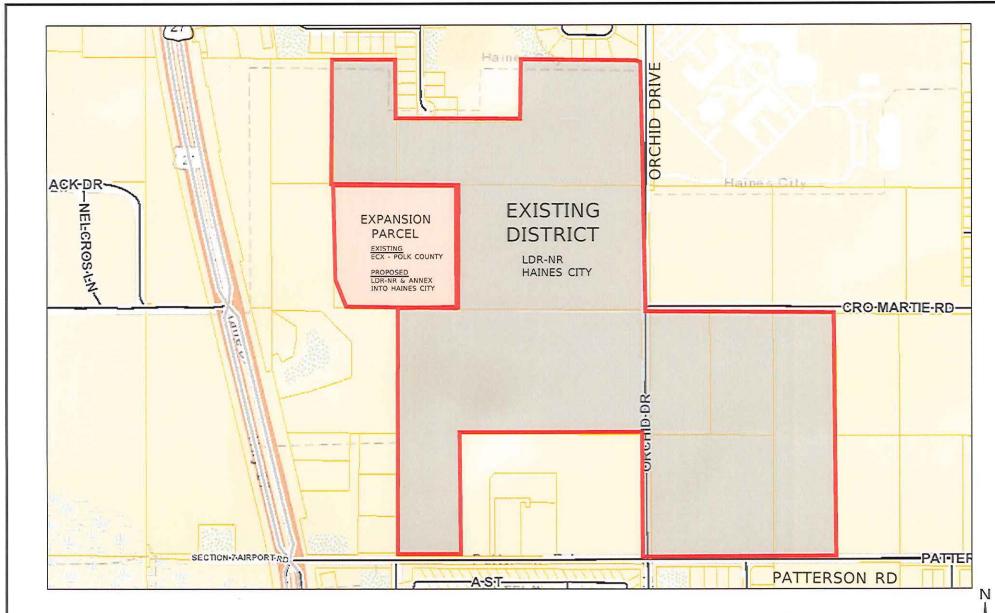
PAGE 3 OF 3





# EXHIBIT 3 HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT DISTRICT BOUNDARY MAP







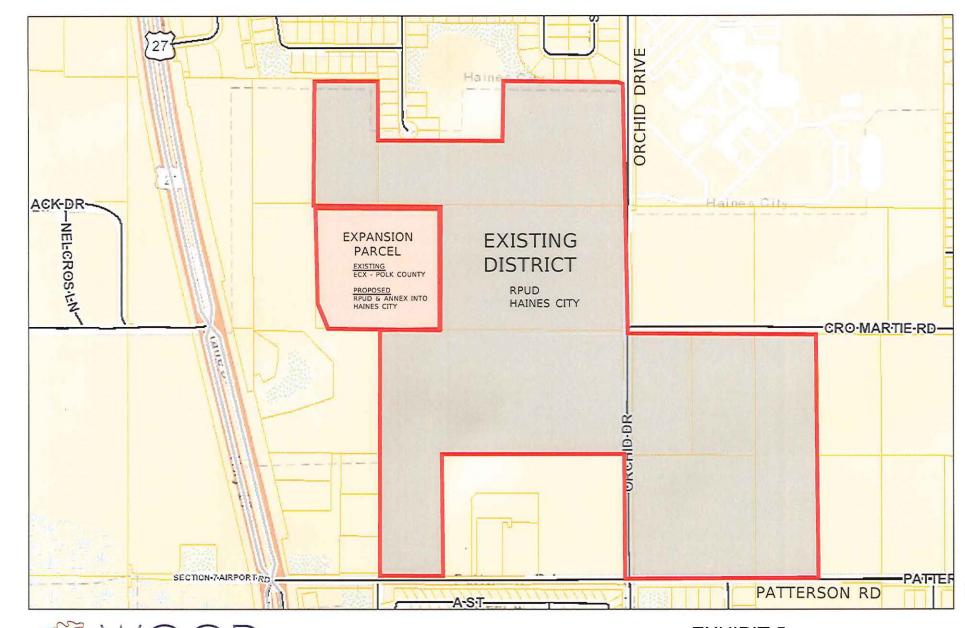
1925 BARTOW ROAD \* LAKELAND, FL 33801 OFFICE: (863) 940-2040 \* FAX: (863) 940-2044 \* CELL: (863) 662-0018 EMAIL: INFO@WOODCIVIL.COM

#### LEGEND

LDR-NR: LOW DENSITY RESIDENTIAL NORTH RIDGE (HAINES CITY)

ECX: EMPLOYMENT CENTER (POLK COUNTY)

# EXHIBIT 4 HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT FUTURE LAND USE





1925 BARTOW ROAD \* LAKELAND, FL 33801
OFFICE: (863) 940-2040 \* FAX: (863) 940-2044 \* CELL: (863) 662-0018
EMAIL: INFO@WOODCIVIL.COM

#### LEGEND

LDR-NR: LOW DENSITY RESIDENTIAL

NORTH RIDGE (HAINES CITY)

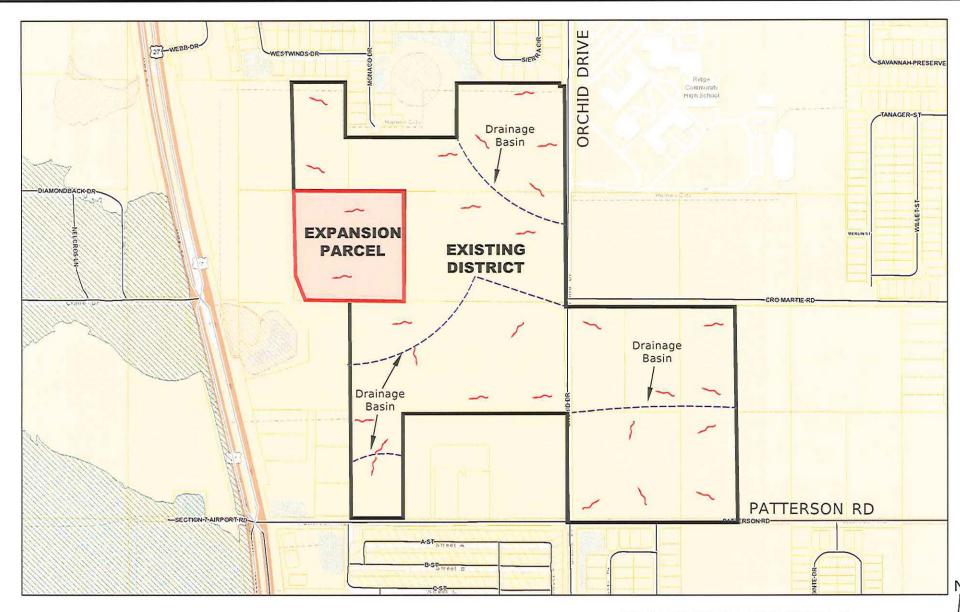
RPUD: RESIDENTIAL PLANNED UNIT DEVELOPMENT (HAINES CITY)

ECX: EMPLOYMENT CENTER (POLK COUNTY)

## EXHIBIT 5 HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT

**ZONING MAP** 







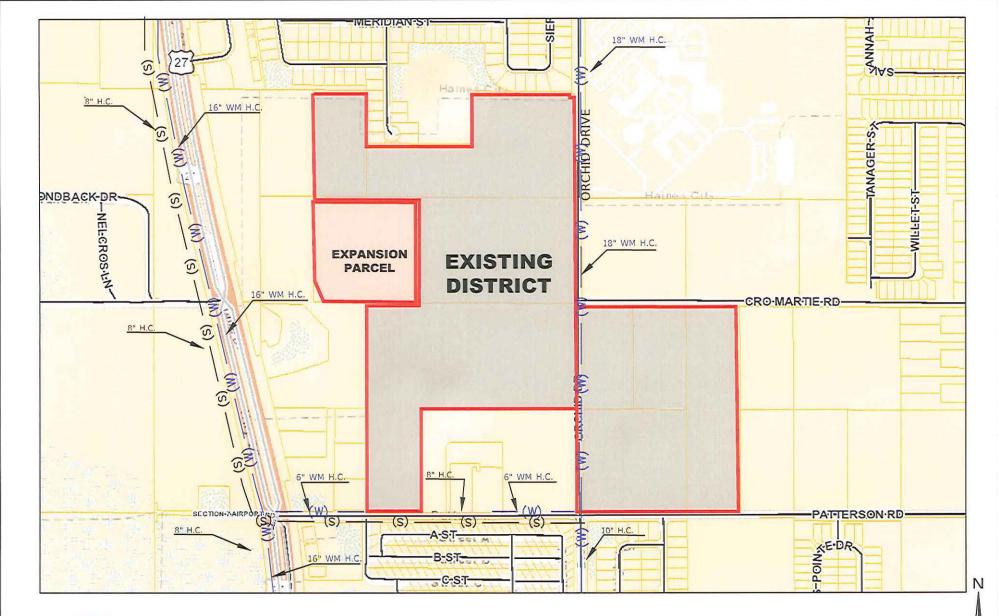
1925 BARTOW ROAD . LAKELAND, FL 33801 OFFICE: (863) 940-2040 \* FAX: (863) 940-2044 \* CELL: (863) 662-0018 EMAIL: INFO@WOODCIVIL.COM

LEGEND

FLOW DIRECTION -- DRAINAGE BASIN

COMPOSITE EXHIBIT 6 HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT DRAINAGE FLOW PATTERN MAP







#### LEGEND

——— (W) ——— EXISTING WATER MAIN (HAINES CITY)

(S) — EXISTING GRAVITY SEWER MAIN (HAINES CITY)

COMPOSITE EXHIBIT 6
HIGHLAND MEADOWS WEST
COMMUNITY DEVELOPMENT DISTRICT
WATER & SEWER

## Exhibit 7 Highland Meadows West Community Development District Summary of Probable Cost

Infrastructure (1)(9)	Phase 1 (266 Lots) 2019-2020	Phase 2 (130 Lots) 2020-2021	Phase 3 (46 Lots) 2020-2021	<u>Total</u> (442 Lots)
Offsite Improvements (5)(6)	\$ 270,000.00	\$ 118,000.00	\$ 42,000.00	\$ 430,000.00
Stormwater Management (2)(3)(5)(6)	\$1,149,000.00	\$ 560,000.00	\$ 200,000.00	\$1,909,000.00
Utilities (Water, Sewer, & Street Lighting) (5)(6) (8)	\$1,975,000.00	\$ 970,000.00	\$ 350,000.00	\$3,295,000.00
Roadway (4)(5)(6)	\$ 995,000.00	\$ 490,000.00	\$ 200,000.00	\$1,685,000.00
Entry Feature & Signage (6)(7)	\$ 440,000.00	\$ 210,000.00	\$ 20,000.00	\$ 670,000.00
Amenity Center (1)(6)	\$ 412,894.00	\$ 201,790.00	\$ 70,000.00	\$ 684,684.00
Parks and Recreation Facilities (1)(6)	\$ 127,106.00	\$ 58,210.00	\$ 20,000.00	\$ 205,316.00
Contingency	\$ 540,000.00	\$ 238,000.00	<u>\$ 78,000.00</u>	<u>\$ 856,000.00</u>
TOTAL	\$5,909,000.00	\$2,846,000.00	\$ 980,000.00	\$9,735,000.00

#### Notes:

- 1. Infrastructure consists of public roadway improvements, stormwater management facilities, master sanitary sewer lift station and utilities, entry feature, landscaping and signage, and neighborhood parks.
- 2. Excludes grading of each lot for initial pad construction, lot finishing, and in conjunction with home construction, which will be provided by home builder.
- 3. Includes stormwater pond excavation. Costs do not include transportation to or placement of fill on private property.
- 4. Includes sub-grade, base, asphalt paving, curbing, and civil/site engineering of public roads.
- 5. Includes subdivision infrastructure and civil/site engineering.
- 6. Estimates are based on 2019 cost.
- 7. Includes entry features, signage, hardscape, landscape, irrigation and fencing.
- 8. CDD will enter into a Lighting Agreement with Duke Energy for the street light poles and lighting service. Only undergrounding of wires in public right-of-way and on District land is included.
- 9. Estimates based on Master Infrastructure to support development of 442 lots.

# Exhibit 8 Highland Meadows West Community Development District Summary of Proposed District Facilities

<u>District Infrastructure</u>	Construction	<u>Ownership</u>	Capital Financing*	Operation and Maintenance
Entry Feature & Signage	District	District	District Bonds	District
Stormwater Facilities	District	District	District Bonds	District
Lift Stations/Water/Sewer	District	City of Haines City	District Bonds	City of Haines City
Street Lighting/Conduit	District	District	District Bonds	District
Road Construction	District	District	District Bonds	District
Parks and Amenities	District	District	District Bonds	District
Offsite Improvements	District	Polk County	District Bonds	Polk County

<sup>\*</sup>Costs not funded by bonds will be funded by the developer

<sup>\*\*</sup>Street Lighting/conduit shall be owned and maintained by the District or the District shall enter into a lease with Duke Energy.

# HIGHLAND MEADOWS WEST CDD "WEST" BLOCK S 00°03'38" F<sub>W</sub> 448.01' (F) PHASE 2 PHASE 1 = 266 LOTS 130 LOTS PHASE 2 = 130 LOTSPHASE 3 = 46 LOTSTOTAL 442 LOTS

OVERALL GENERAL

LOT LAYOUT

**EXHIBIT** 

## SUPPLEMENTAL ASSESSMENT METHODOLOGY

#### **FOR**

# HIGHLANDS MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT ASSESSMENT AREA 2 AND ASSESSMENT AREA 3

Date: January 8, 2020

Prepared by

Governmental Management Services - Central Florida, LLC 135 W. Central Blvd, Suite 320 Orlando, FL 32801

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GMS-CF, LLC does not represent the Highland Meadows West Community

Development District as a Municipal Advisor or Securities Broker nor is GMS-CF, LLC registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, GMS-CF, LLC does not provide the Highland Meadows West Community Development District with financial advisory services or offer investment advice in any form.

#### 1.0 Introduction

The Highland Meadows West Community Development District (the "District") is a local unit of special-purpose government organized and existing under Chapter 190, Florida Statutes as amended. The District may issue up to \$2,665,000 of tax exempt bonds (the "Assessment Area 2 Bonds") for the purpose of financing certain infrastructure improvements within Phase 2 ("Assessment Area 2 Project") within Assessment Area 2 of the District. The District may issue up to \$945,000 of tax exempt bonds (the "Assessment Area 3 Bonds") for the purpose of financing certain infrastructure improvements within Phase 3 ("Assessment Area 3 Project") within Assessment Area 3 of the District. Phase 2 and Phase 3 are more specifically described in the Engineer's Report revised and dated January 8, 2020 prepared by Wood & Associates Engineering, LLC, as may be amended and supplemented from time to time (the "Engineer's Report"). The District anticipates the construction of all or a portion of the Assessment Area 2 and Assessment Area 3 Capital Improvement Plan that benefit property owners within Series Assessment Area 3 and 3 of the District.

#### 1.1 Purpose

This Supplemental Assessment Methodology (the "Assessment Report") supplements the Master Assessment Methodology, dated July 24, 2018. The Assessment Report provides for an assessment methodology that allocates the debt to be incurred by the District to benefiting properties within Assessment Area 2 and 3 of the District. This Assessment Report allocates the debt to properties based on the special benefits each receives from the Capital Improvement Plan. This Assessment Report may be supplemented with one or more supplemental methodology reports to reflect the actual terms and conditions at the time of the issuance of each series of Bonds issued to finance all or a portion of the Capital Improvement Plan. This Assessment Report is designed to conform to the requirements of Chapters 190 and 170, Florida Statutes with respect to special assessments and is consistent with our understanding of case law on this subject.

The District intends to impose non ad valorem special assessments on the benefited lands within the District based on this Assessment Report. It is anticipated that all of the proposed special assessments will be collected through the Uniform Method of Collection described in Chapter 197.3632, Florida Statutes or any other legal means available to the District. It is not the intent of this Assessment Report to address any other assessments, if applicable, that may be levied by the District, a homeowner's association, or any other unit of government.

#### 1.2 Background

The District currently includes approximately 97.67 acres in Polk County, Florida. The development program for the Assessment Area 2 of the District currently envisions approximately 130 residential units and is approximately 29.2 acres. The development program for the Assessment Area 3 of the District currently envisions approximately 46 residential units and is approximately 9.76 acres. The proposed development program for Assessment Area 2 and Assessment Area 3 is depicted in Table 1. It is recognized that such land use plan may change, and this Assessment Report will be modified or supplemented accordingly.

The improvements contemplated by the District in the Assessment Area 2 Project and Assessment Area 3 Project will provide facilities that benefit certain property within the Assessment Area 2 and Assessment Area 3 of the District, respectively. Specifically, the District will construct and/or acquire certain offsite improvements, stormwater management facilities, utility facilities, roadways, entry features, amenity center, and park and amenity features. Note that the amenity center will be a shared cost between the District and the Davenport Road South CDD. The acquisition and construction costs are summarized in Table 2.

The assessment methodology is a four-step process.

- 1. The District Engineer must first determine the public infrastructure improvements that may be provided by the District and the costs to implement the Assessment Area 2 Project and Assessment Area 3 Project, respectively.
- 2. The District Engineer determines the assessable acres that benefit from the Assessment Area 2 Project and Assessment Area 3 Project, respectively.
- 3. A calculation is made to determine the funding amounts necessary to acquire and/or construct the Assessment Area 2 Project and Assessment Area 3 Project, respectively.
- 4. This amount is initially divided equally among the benefited properties on a prorated assessable acreage basis. Ultimately, as land is platted, this amount will be assigned to each of the benefited properties based on the number of platted units.

#### 1.3 Special Benefits and General Benefits

Improvements undertaken by the District create special and peculiar benefits to the property, different in kind and degree than general benefits, for properties within its borders as well as general benefits to the public at large.

However, as discussed within this Assessment Report, these general benefits are incidental in nature and are readily distinguishable from the special and peculiar benefits, which accrue to property within Assessment Area 2 and Assessment Area 3

of the District, respectively. The implementation of the Capital Improvement Plan enables properties within the boundaries of Assessment Area 2 and Assessment Area 3 of the District, respectively, to be developed. Without the Assessment Area 2 Project and the Assessment Area 3 Project, there would be no infrastructure to support development of land within Assessment Area 2 and Assessment Area 3 of the District. Without these improvements, development of the property within the District would be prohibited by law.

There is no doubt that the general public and property owners outside of the District will benefit from the provision of the Assessment Area 2 Project and the Assessment Area 3 Project. However, these benefits will be incidental for the purpose of the Assessment Area 2 Project and the Assessment Area 3 Project, which is designed solely to meet the needs of property within Assessment Area 2 and Assessment Area 3 of the District. Properties outside of Assessment Area 2 and Assessment Areas 3 of the District boundaries do not depend upon the District's Capital Improvement Plan. The property owners within Assessment Area 2 and Assessment Area 3 of the District are therefore receiving special benefits not received by those outside the District's boundaries.

#### 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 based on the special benefit such properties receive.

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 will be greater than the costs associated with providing these benefits. The District Engineer estimates that the District's Assessment Area 2 Project that is necessary to support full development of property within Assessment Area 2 of the District will cost approximately \$2,846,000. The District's Underwriter projects that financing costs required to fund the Assessment Area 2 Project costs, the cost of issuance of the Bonds, the funding of a debt service reserve account and capitalized interest, is \$2,665,0000. The District Engineer estimates that the District's Assessment Area 3 Project that is necessary to support full development of property within Assessment Area 3 of the District will cost approximately \$980,000. The District's Underwriter projects that financing costs required to fund the Assessment Area 3 Project costs, the cost of

issuance of the Bonds, the funding of a debt service reserve account and capitalized interest, is \$945,000. Developer would fund any additional funds needed to complete the Assessment Area 2 Project and the Assessment Area 3 Project, respectively. Without the Assessment Area 2 Project and the Assessment Area 3 Project, the property within Assessment Area 2 and Assessment Area 3 of District would not be able to be developed and occupied by future residents of the community.

#### 2.0 Assessment Methodology

#### 2.1 Overview

The District may issue up to \$2,665,000 in Bonds to fund a portion of the Assessment Area 2 Project, provide for capitalized interest, a debt service reserve account and pay cost of issuance. It is the purpose of this Assessment Report to allocate the \$2,665,000 in debt to the properties within Assessment Area 2 of the District benefiting from the Assessment Area 2 Project. This report will be supplemented to reflect actual bond terms.

The District may issue up to \$945,000 in Bonds to fund a portion of the Assessment Area 3 Project, provide for capitalized interest, a debt service reserve account and pay cost of issuance. It is the purpose of this Assessment Report to allocate the \$945,000 in debt to the properties within Assessment Area 3 of the District benefiting from the Assessment Area 3 Project. This report will be supplemented to reflect actual bond terms.

Table 1 identifies the land uses as identified by the Developers within the District. The District has commissioned an Engineer's Report that includes estimated construction costs for the Assessment Area 2 Project and the Assessment Area 3 Project Three needed to support the development, which these construction costs are outlined in Table 2. The improvements needed to support the development are described in detail in the Engineer's Report and are estimated to cost \$2,846,000 for the Assessment Area 2 Project. Based on the estimated costs, the size of the bond issue under current market conditions needed to generate funds to pay for the Capital Improvement Plan and related costs was determined by the District's Underwriter to total \$2,665,000 for the Assessment Area 2 Bonds. The improvements needed to support the development are described in detail in the Engineer's Report and are estimated to cost \$980,000 for the Assessment Area 3 Project. Based on the estimated costs, the size of the bond issue under current market conditions needed to generate funds to pay for the Capital Improvement Plan and related costs was determined by the District's Underwriter to total \$945,000 for the Assessment Area 3 Bonds. Table 3 shows the breakdown of the bond sizing.

#### 2.2 Allocation of Debt

Allocation of debt is a continuous process until the development plan for the District is completed. Until the platting process occurs, the Capital Improvement Plan funded by District bonds benefits all acres within the District.

The initial assessments will be levied on an equal basis to all gross acreage within Assessment Area 2 ("Assessment Area 2 Special Assessments") and Assessment Area 3 ("Assessment Area 3 Special Assessments") of the District. A fair and reasonable methodology allocates the debt incurred by the District proportionately to the properties receiving the special benefits. At this point all of the lands within Series Assessment Area 2 and Assessment Area 3, respectively, of the District are benefiting from the improvements.

Once platting or the recording of a declaration of condominium of any portion of Assessment Area 2 and/or Assessment Area 3 of the District into individual lots or units ("Assigned Properties") has begun, the assessments will be levied to the Assigned Properties based on the benefits they receive, on a first platted, first assigned basis, respectively to each assessment area. The "Unassigned Properties" defined as property that has not been platted or subjected to a declaration of condominium, will continue to be assessed on a per acre basis. Eventually the development plan will be completed and the debt relating to the bonds will be allocated to the platted units within Assessment Area 2 and Assessment Area 3 of the District respectively, which are the beneficiaries of the Capital Improvement Plan, as depicted in Table 5 and Table 6. If there are changes to development plan, a true up of the assessment will be calculated to determine if a debt reduction or true-up payment from the Developer is required. The process is outlined in Section 3.0.

The assignment of debt in this Assessment Report sets forth the process by which debt is apportioned. As mentioned herein, this Assessment Report will be supplemented from time to time.

#### 2.3 Allocation of Benefit

The Capital Improvement Plan consists of offsite improvements, stormwater management facilities, utility facilities, roadways, entry features, amenity center, and park and amenity features and professional fees along with related incidental costs. There is <u>one</u> product type within the planned development. The single family home has been set as the base unit and has been assigned one equivalent residential unit ("ERU"). Table 4 shows the allocation of benefit to the particular land uses. It is important to note that the benefit derived from the improvements on the particular units exceeds the cost that the units will be paying for such benefits.

### 2.4 Lienability Test: Special and Peculiar Benefit to the Property

Construction and/or acquisition by the District of its proposed Assessment Area 2 Project and Assessment Area 3 Project, respectively, will provide several types of systems, facilities and services for its residents. These include offsite improvements, stormwater management facilities, utility facilities, roadways, entry features, and park and amenity features. These improvements accrue in differing amounts and are somewhat dependent on the type of land use receiving the special benefits peculiar to those properties, which flow from the logical relationship of the improvements to the properties.

Once these determinations are made, they are reviewed in the light of the special benefits peculiar to the property, which flow to the properties as a result of their logical connection from the improvements in fact actually provided.

For the provision of the Assessment Area 2 Project and the Assessment Area 3 Project, the special and peculiar benefits are:

- 1) the added use of the property,
- 2) added enjoyment of the property, and
- 3) the probability of increased marketability and value of the property.

These special and peculiar benefits are real and ascertainable, but are not yet capable of being calculated as to value with mathematical certainty. However, each is more valuable than either the cost of, or the actual non-ad valorem special assessment levied for the improvement or the debt as allocated.

### 2.5 Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay Non-Ad Valorem Assessments

A reasonable estimate of the proportion of special and peculiar benefits received from the public improvements described in the Engineer's Report is delineated in Table 5 (expressed as Allocation of Par Debt per Product Type). This is also shown on Table 7 depicting Allocation of Par Debt per Product Type.

The determination has been made that the duty to pay the non-ad valorem special assessments is fairly and reasonably apportioned because the special and peculiar benefits to the property derived from the acquisition and/or construction of Capital Improvement Plan have been apportioned to the property within the District according to reasonable estimates of the special and peculiar benefits provided consistent with the land use categories.

Accordingly, no acre or parcel of property within the boundaries of Assessment Area 2 and Assessment Area 3 of the District, respectively, will have a lien for the payment of any non-ad valorem special assessment more than the determined special benefit peculiar to that property and therefore, the debt allocation will not be increased more than the debt allocation set forth in this Assessment Report.

In accordance with the benefit allocation suggested for the product types in Table 4, a total debt per unit and an annual assessment per unit have been calculated for each product type (Table 6). These amounts represent the preliminary anticipated per unit debt allocation assuming all anticipated units are built and sold as planned, and the entire proposed Assessment Area 2 Project and Assessment Area 3 Project is constructed, respectively.

### 3.0 True Up Mechanism

Although the District does not process plats, declaration of condominiums, site plans or revisions thereto for the developer, it does have an important role to play during the course of platting and site planning. Whenever a plat, declaration of condominium or site plan is processed, the District must allocate a portion of its debt to the property according to this Assessment Report outlined herein. In addition, the District must also prevent any buildup of debt on Unassigned Properties. Otherwise, the land could be fully conveyed and/or platted without all of the debt being allocated. To preclude this, when platting for 25%, 50%, 75% and 100% of the units planned for platting has occurred within each distinct assessment area, the District will determine the amount of anticipated assessment revenue that remains on the Unassigned Properties in each assessment area, taking into account the full development plan such assessment area. If the total anticipated assessment revenue to be generated from the Assigned and Unassigned Properties is greater than or equal to the maximum annual debt service then no debt reduction or true-up payment is required. In the case that the revenue generated is less then the required amount then a debt reduction or true-up payment by the landowner in the amount necessary to reduce the par amount of the outstanding bonds plus accrued interest to a level that will be supported by the new net annual debt service assessments will be required. Any needed true-ups in accordance with this section will be calculated by individual assessment area, and not District wide.

If a true-up payment is made less than 45 days prior to an interest payment date, the amount of accrued interest will be calculated to the next succeeding interest payment date.

### 4.0 Assessment Roll

The District will initially distribute the liens across the property within Assessment Area 2 and Assessment Area 3 of the District, respectively, boundaries on a gross

acreage basis. As Assigned Properties becomes known with certainty, the District will refine its allocation of debt from a per acre basis to a per unit basis as shown in Table 6. If the land use plan changes, then the District will update Table 6 to reflect the changes as part of the foregoing true-up process. As a result, the assessment liens are neither fixed nor are they determinable with certainty on any acre of land in Assessment Area 2 or Assessment Area 3 of the District prior to the time final Assigned Properties become known. The current assessment roll is attached as Table 7.

TABLE 1
HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT
DEVELOPMENT PROGRAM
SUPPLEMENTAL ASSESSMENT METHODOLOGY - ASSESSMENT AREA 2 AND ASSESSMENT AREA 3

Land Use*	Phase 2 - Assessement Area 2	Phase 3 - Assessement Area 3	Total Assessible Units	ERUs per Unit (1)	Total ERUs	
Single Family	130	46	176	1.00	176	
Total Units			176		176	

<sup>(1)</sup> Benefit is allocated on an ERU basis; based on density of planned development, with Single Family = 1 ERU

 $<sup>^{*}</sup>$  Unit mix is subject to change based on marketing and other factors

~

TABLE 2
HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT PLAN COST ESTIMATES
SUPPLEMENTAL ASSESSMENT METHODOLOGY - ASSESSMENT AREA 2 AND ASSESSMENT AREA 3

Capital Improvement Plan ("CIP") (1)	Asses	sment Area 2	As	sessment Area 3	Total Cost Estimate		
Offsite Improvements Stormwater Management Utilities (Water, Sewer, & Street Lighting) Roadway Entry Feature Amenity Center Parks and Amenities Contingencies	\$\$\$\$\$\$\$\$	118,000 560,000 970,000 490,000 210,000 201,790 58,210 238,000	\$\$\$\$\$\$\$\$	42,000 200,000 350,000 200,000 70,000 20,000 78,000	\$\$\$\$\$\$\$\$\$	160,000 760,000 1,320,000 690,000 230,000 271,790 78,210 316,000	
	\$	2,846,000	\$	980,000	\$	3,826,000	

(1) A detailed description of these improvements is provided in the Engineer's Report dated January 8, 2020.

TABLE 3
HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT
BOND SIZING
SUPPLEMENTAL ASSESSMENT METHODOLOGY - ASSESSMENT AREA 2 AND ASSESSMENT AREA 3

Description	Asses	ssment Area 2	Ass	essment Area 3	Total		
Construction Funds	\$	2,227,606	\$	788,230	\$	3,015,836	
Debt Service Reserve	\$	157,625	\$	55,775	\$	213,400	
Capitalized Interest	\$	74,449	\$	26,361	\$	100,810	
Underwriters Discount	\$	53,300	\$	18,900	\$	72,200	
Cost of Issuance	\$	147,641	\$	52,202	\$	199,843	
Contingency	\$	4,379	\$	3,532	\$	7,911	
Par Amount*	\$	2,665,000	\$	945,000	\$	3,610,000	

### **Bond Assumptions:**

Average Coupon	4.20%
Amortization	30 years
Capitalized Interest	8 months
Debt Service Reserve	Max Annual
Underwriters Discount	2%

<sup>\*</sup> Par amount is subject to change based on the actual terms at the sale of the bonds

TABLE 4

HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT

ALLOCATION OF IMPROVEMENT COSTS

SUPPLEMENTAL ASSESSMENT METHODOLOGY - ASSESSMENT AREA 2 AND ASSESSMENT AREA 3

Land Use	No. of Units *	ERU Factor	Total ERUs	% of Total ERUs	Total Improvements Costs Per Product Type		Improvement Costs Per Unit	
Assessment Area 2	130	1	130	73.86%	\$	2,846,000	Ś	21,892
Assessment Area 3	46	1	46	26.14%	\$	980,000	\$	21,304
Totals	176		176	100.00%	\$	3,826,000		

<sup>\*</sup> Unit mix is subject to change based on marketing and other factors

TABLE 5

HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT
ALLOCATION OF TOTAL PAR DEBT TO EACH PRODUCT TYPE

SUPPLEMENTAL ASSESSMENT METHODOLOGY - ASSESSMENT AREA 2 AND ASSESSMENT AREA 3

		Improvements ts Per Product	ocation of Par ot Per Product			
Land Use	No. of Units *	 Type	Туре	Par Debt Per Unit		
Assessment Area 2	130	\$ 2,846,000	\$ 2,665,000	\$	20,500	
Assessment Area 3	46	\$ 980,000	\$ 945,000	\$	20,543	
Totals	176	\$ 3,826,000	\$ 3,610,000			

<sup>\*</sup> Unit mix is subject to change based on marketing and other factors

TABLE 6

HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT PAR DEBT AND ANNUAL ASSESSMENTS FOR EACH PRODUCT TYPE

SUPPLEMENTAL ASSESSMENT METHODOLOGY - ASSESSMENT AREA 2 AND ASSESSMENT AREA 3

Land Use	No. of Units *	 ocation of Par ot Per Product Type	Tota	al Par Debt Per Unit		Maximum nnual Debt Service	Ass	t Annual Debt essment er Unit	Assı	ss Annual Debt essment Unit (1)
Assessment Area 2	130	\$ 2,665,000	\$	20,500	Ś	157.625	\$	1,213	Ś	1.304
Assessment Area 3	46	\$ 945,000	\$	20,543	\$	55,775	\$	1,213	\$	1,304
Totals	130	\$ 3,610,000			\$	213,400				

<sup>(1)</sup> This amount includes collection fees and early payment discounts when collected on the Polk County Tax Bill

<sup>\*</sup> Unit mix is subject to change based on marketing and other factors

TABLE 7
HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT
PRELIMINARY ASSESSMENT ROLL
SUPPLEMENTAL ASSESSMENT METHODOLOGY - ASSESSMENT AREA 2 AND ASSESSMENT AREA 3

Owner	Property ID #'s	Acres				Total Par Debt Allocated		Net Annual Debt Assessment Allocation		oss Annual Assessment ocation (1)
Assessment Area 2										
Orchid Terrace Development, LLC	27-27-08-727-5000-40120	10.03	\$	91.330	Ś	916.037	Ś	54,180	\$	58,258
Orchid Terrace Development, LLC	27-27-08-727-5000-20170	4.68	\$	91.330	Ś	427,423	\$	25,281	\$	27,183
Orchid Terrace Development, LLC	27-27-08-727-5000-20180	4.90	\$	91,330	Ś	447.515	\$	26,469	\$	28,461
Orchid Terrace Development, LLC	27-27-08-727-5000-20310	9.57	\$	91,330	\$	874,025	\$	51,695	\$	55,586
	_	29.18	\$	2,665,000			\$	157,625	\$	169,489
Assessment Area 3	_									
Orchid Terrace Group, LLC	27-27-08-727-5000-20190	9.76	\$	96,824	\$	945,000	\$	55,775	\$	59,973

(1) This amount includes 7% to cover collection fees and early payment discounts when collected utilizing the uniform method.

Annual Assessment Periods	30
Projected Bond Rate (%)	4.20%
Maximum Annual Debt Service - Assessment Area 2	\$ 157,625
Maximum Annual Debt Service - Assessment Area 3	\$ 55,775

# SECTION VI

### **RESOLUTION 2020-03**

A DESCRIPTION OF THE DOADD OF SUDEDVISODS OF

THE HIGHLAND MEA	_			
DEVELOPMENT DISTR				
HEARING TO BE HEL ,AT:		1. AT TH	E OFI	FICES OF
FOR THE PURPOSE OF				,

FOR THE PURPOSE OF HEARING PUBLIC COMMENT ON IMPOSING SPECIAL ASSESSMENTS ON CERTAIN PROPERTY WITHIN THE DISTRICT GENERALLY DESCRIBED AS THE HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT IN ACCORDANCE WITH CHAPTERS 170, 190 AND 197, FLORIDA STATUTES.

WHEREAS, the Board of Supervisors of the Highland Meadows West Community Development District (the "Board") has previously adopted Resolution 2020-02 entitled:

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE **MEADOWS** WEST HIGHLAND **COMMUNITY** DEVELOPMENT DISTRICT ADOPTING AND CONFIRMING THE SECOND SUPPLEMENTAL ASSESSMENT METHODOLOGY REPORT; ADOPTING AND CONFIRMING THE SECOND SUPPLEMENTAL ENGINEER'S REPORT; DECLARING SPECIAL ASSESSMENTS; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THOSE INFRASTRUCTURE IMPROVEMENTS WHOSE COST IS TO DEFRAYED BY THE SPECIAL ASSESSMENTS: PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN ASSESSMENTS SHALL **SPECIAL**  $\mathbf{BE}$ 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 2020-02, a Preliminary Special 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, 219 East Livingston Street, Orlando, Florida 32801 (the "District Office").

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT:

	SECTION 1.	There is he	ereby declared	d a public he	aring to	be hel	ld at	<u>:</u>	m.
on			,		,	at	the	offices	of
for Di which prior	e purpose of he istrict improve is on file. Aff to the hearing a 32801.	ments as ide fected parties	entified in the s may appear	e Preliminar at that heari	y Spec ng or si	ial Ass ıbmit t	sessment heir com	Roll, a comments in w	py of riting
said n week establi hearin such p (30) d to be owner assess	SECTION 2. and 197, Floridal otice in a news apart with the ished herein) a ang. The District oublication of r ays' written no assessed and i assessed and i assessed and i assessed and i and any output of the man and the m	spaper(s) of first public and the last public and the last public. The strice by mail include in sun of the are ascertained	general circulation at least bublication should be a publication should be a publication of the time arough notice the as to be impat the District	Manager is ation within twenty (20) all be at lead isher's affidated after is further amount of roved and at Office. To	hereby Polk C days tone ( wit with a autho his hear the ass hotice t	author County prior to 1) ween the Dorized a ing to the ssmer that inf	ized and (by two the dat k prior the istrict Se and direct the owne of for ea formatio	directed to publication te of the he to the date of ceretary veri ted to give ers of all pro- ch such pro- n concernir	place s one caring of the fying thirty perty perty perty ag all
	SECTION 3.	This Reso	lution shall be	ecome effect	ive upo	n its pa	assage.		
	PASSED AND	ADOPTED th	is 8 <sup>th</sup> day of J	anuary, 202	0.				
ATTE	EST:			COM			ADOWS EVELO	WEST PMENT	
Secret	tary/Assistant S	Secretary		Chair	person,	Board	of Supe	rvisors	

# SECTION A

# HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT

### SECOND SUPPLEMENTAL ENGINEER'S REPORT FOR CAPITAL IMPROVEMENTS

### Prepared for:

# BOARD OF SUPERVISORS HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT

### Prepared by:

WOOD & ASSOCIATES ENGINEERING, LLC 1925 BARTOW ROAD LAKELAND, FL 33801 PH: 863-940-2040

**January 8, 2020** 

# HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT

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### LIST OF EXHIBITS

EXHIBIT 1- Location Map

**EXHIBIT 2- Legal Description** 

EXHIBIT 3- District Boundary Map

EXHIBIT 4- Land Use Map

EXHIBIT 5- Zoning Map

EXHIBIT 6- Utility Location Map & Drainage Flow Pattern Map

EXHIBIT 7- Summary of Opinion of Probable Costs

**EXHIBIT 8- Summary of Proposed District Facilities** 

EXHIBIT 9- Overall Site Plan

# SECOND SUPPLEMENTAL ENGINEER'S REPORT HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT

### I. INTRODUCTION

The Highland Meadows West Community Development District (the "District") is north of Patterson Road, east and west of Orchid Drive within Haines City (the "City"). The District currently contains approximately 97.67 acres and is expected to consist of 442 single family lots, recreation / amenity areas, parks, and associated infrastructure.

The CDD was established under County Ordinance No. 18-045 which was approved by the County Commission on July 10, 2018. The District will own and operate the public roadways and stormwater management facilities, as well as the landscape, irrigation, signage, and recreational facilities within the development. This Second Amended and Restated Engineer's Report amends the previously adopted Engineer's Report to reflect the addition of lands to the District by Ordinance \_\_\_\_\_, which was approved by the County on \_\_\_\_\_. The additional lands are reflected as part of Phase 3 consisting of 9.76 acres.

Public improvements and facilities financed, acquired, and/or constructed by the District will be designed and constructed to conform to regulatory criteria from the City, the County, Southwest Florida Water Management District (SWFWMD), and other applicable agencies with regulatory jurisdiction over the development. An overall estimate of probable cost of the public improvements is provided in Exhibit 7 of this report.

This "Capital Improvement Plan" or "Report" reflects the present intentions of the District and the landowners. It should be noted that the location of proposed facilities and improvements may be adjusted during the final design, permitting, and implementation phases. It should also be noted that these modifications are not expected to diminish the benefits received by the property within the District. The District reserves the right to make reasonable adjustments to the development plan to meet applicable regulatory requirements of agencies with jurisdiction over the development, while maintaining comparable level of

benefits to the lands served by the improvements. Changes and modifications are expected as changes in regulatory criteria are implemented.

Implementation of any proposed facilities or improvements outlined in this Report requires written approval from the District's Board of Supervisors. Estimated costs outlined in this report are based on best available information, which includes but is not limited to previous experience with similar projects. Actual costs could be different than estimates because final engineering and specific field conditions may affect construction costs.

All roadway improvements including sidewalks in the right-of-way and storm drainage collection systems (from the curb inlets to their connection to the Stormwater ponds) within the development will be maintained by the District. Water distribution and wastewater collection systems (gravity lines, force mains, and lift stations) will, upon completion, be dedicated to the City for ownership and maintenance.

### II. PURPOSE AND SCOPE

The purpose of this Report is to provide engineering support to fund improvements in the District. This Report will identify the proposed public infrastructure to be constructed or acquired by the District along with an opinion of probable cost.

Contained within this Report is a brief description of the public infrastructure to be constructed or acquired by the District. The District will finance, construct, acquire, operate, and maintain all or specific portions of the proposed public infrastructure. An assessment methodology consultant has been retained by the District, who will develop the assessment and financing methodology to be applied using this Report.

The predominant portion of this Report provides descriptions of the proposed public infrastructure improvements, determination of estimated probable construction costs, and the corresponding benefits associated with the implementation of the described improvements. Detailed site construction plans and specifications have not yet been completed and permitted for the improvements described herein. The engineer has considered, and in specific instances has relied upon, the information and documentation prepared or supplied by others, and information that may have been provided by public entities, public employees, the landowner, site construction contractors, other engineering professionals, land surveyors, the District Board of Supervisors, and its staff and consultants.

### III. THE DEVELOPMENT

The development will consist of 442 single family homes and associated infrastructure ("Development"). The Development is a planned residential community located north of Patterson Road, east and west of Orchid Drive within the City. Phase 1 and 2 of the development has a land use of LDR-NR (Low Density Residential) and a zoning of RPUD (Residential Planned Unit Development). Phase 3 was annexed from Polk County into the City by Ordinance No. 19-1655. RPUD zoning and LDR-NR land use for Phase 3 is pending approval by the City. The development will be constructed in three (3) phases.

### IV. THE CAPITAL IMPROVEMENTS

The Capital Improvement Plan, (the "CIP"), consists of public infrastructure in Phases 1, 2, and 3. The primary portions of the CIP will entail stormwater pond construction, roadways built to an "urban" typical section, water and sewer facilities and off-site improvements (including turn lanes and extension of water and sewer mains to serve the development).

There will also be stormwater structures and conveyance culverts within the CIP which will outfall into the on-site retention ponds. These structures and pond areas comprise the overall stormwater facilities of the CIP. Installation of the water distribution and wastewater collection system will also occur at this time. Below ground installation of telecommunications and cable TV will occur, but will not be funded by the District. The CDD will enter into a lighting agreement with Duke Energy for the street light poles and lighting service. Only undergrounding of wire in public right-of-way on District Land is included.

As a part of the recreational component of the CIP, a public park/amenity center will be within the development west of Orchid Drive There will be smaller passive park areas on both sides of Orchid Drive within the development at strategic points for maximum utilization of the facilities. The public park/amenity center will have connectivity via sidewalks to the other portions of the District. The public park/amenity center will be accessed by the public roadways and sidewalks.

### V. CAPITAL IMPROVEMENT PLAN COMPONENTS

The Capital Improvement Plan includes the following:

### **Stormwater Management Facilities**

Stormwater management facilities consisting of storm conveyance systems and retention ponds are contained within the District boundaries. Stormwater runs off via roadway curb and gutter to storm inlets. Storm culverts convey the runoff into the proposed retention ponds for water quality treatment and attenuation. The proposed stormwater systems will utilize dry retention and wet retention for biological pollutant assimilation to achieve water quality treatment. The design criteria for the District's stormwater management systems is regulated by the City, the County, and the SWFWMD. There are no known surface waters.

Federal Emergency Management Agency Flood Insurance Rate Map (FEMA FIRM) Panel No. 12105C-0219G (dated 12/22/2016) demonstrates that the property is located within Flood Zone X. Based on this information and the site topography, it does appear that floodplain compensation will be required.

During the construction of stormwater management facilities, utilities and roadway improvements, the contractor will be required to adhere to a *Stormwater Pollution Prevention Plan* (SWPPP) as required by Florida Department of Environmental Protection (FDEP) as delegated by the Environmental Protection Agency (EPA). The SWPPP will be prepared to depict for the contractor the proposed locations of required erosion control measures and staked turbidity barriers specifically along the down gradient side of any proposed construction activity. The site contractor will be required to provide the necessary reporting on various forms associated with erosion control, its maintenance and any rainfall events that occur during construction activity.

### **Public Roadways**

The proposed public roadway sections are to be 50' R/W with 24' of asphalt and Miami curb or Type F curb and gutter on both sides. The proposed roadway section will consist of stabilized subgrade, lime rock, crushed concrete or cement treated base and asphalt wearing surface. The proposed curb is to be 2' wide and placed along the edge of the proposed roadway section for purposes of protecting the integrity of the pavement and also to provide stormwater runoff conveyance to the proposed stormwater inlets.

The proposed roadways will also require signing and pavement markings within the public rights-of-way, as well as street signs depicting street name identifications, and addressing, which will be utilized by the residents and public. As stated above, the District's funding of roadway construction will occur for all public roadways.

### **Water and Wastewater Facilities**

A potable water system inclusive of water main, gate valves, fire hydrants and appurtenances will be installed for the Development. The water service provider will be the City of Haines City Public Utilities. The water system will be a "looped" system. These facilities will be installed within the proposed public rights-of-way within the District. This water will provide the potable (domestic) and fire protection services which will serve the entire District.

A domestic wastewater collection system inclusive of gravity sanitary sewer mains and sewer laterals will be installed. The gravity sanitary sewer mains will be 8" diameter PVC. The gravity sanitary sewer lines will be placed inside of the proposed public rights-of-way, under the proposed paved roadways. Branching off from these sewer lines will be laterals to serve the individual lots. Lift stations are anticipated for this CIP. Flow from the lift station shall be connected to a proposed force main along Orchid Drive.

Reclaimed water is not available for this site. An irrigation well to be funded by the District will be installed onsite to provide irrigation within the public right of way or irrigation water service shall be provided as part of the domestic water system design. Any water, sewer, or reclaim water pipes or facilities placed on private property will not be publicly funded.

### **Off-Site Improvements**

The District will provide funding for the anticipated turn lanes at the development entrance. The site construction activities associated with the CIP are anticipated for completion by phases based on the following estimated schedule: Phase 1 in 2019; Phase 2 in 2020; Phase 3 in 2020. Upon completion of each phase of these improvements, inspection/certifications will be obtained from the SWFWMD; the Polk County Health Department (water distribution system), Florida Department of Environmental Protection (FDEP) (wastewater collection) and the City/County.

### **Amenities and Parks**

The District will provide funding for an Amenity Center to include the following: parking area, pavilion with restroom facilities, pool, tot lot, dog park/all-purpose play field, and walking trails between the phases to provide connectivity to the Amenity Center, and passive parks through out the development which will include benches and walking trails.

### **Electric and Lighting**

The electric distribution system thru the District is currently planned to be underground. The District presently intends to fund the difference between overhead and underground service to the CDD. Electric facilities funded by the District will be owned and maintained by the District, with Duke Energy providing underground electrical service to the Development. The CDD will enter into a lighting agreement with Duke Energy for the street light poles and lighting service. Only undergrounding of wire in public right-of-way on District land is included.

### **Entry Feature, Landscaping, and Irrigation**

Landscaping, irrigation, entry features and walls at the entrances and along the outside boundary of the Development will be provided by the District. The irrigation system will use an irrigation well. The well and irrigation watermains to the various phases of the development will be constructed or acquired by the CDD with District funds and operated and maintained by the CDD. Landscaping for the roadways will consist of sod, annual flowers, shrubs, ground cover and trees for the internal roadways within the CDD. Perimeter fencing will be provided at the site entrances and perimeters. These items will be funded, owned and maintained by the CDD.

### **Miscellaneous**

The stormwater improvements, landscaping and irrigation, recreational improvements, street lighting, and certain permits and professional fees as described in this report, are being financed by the District with the intention for benefiting all of the developable real property within the District. The construction and maintenance of the proposed public improvements will benefit the development for the intended use as a single-family planned development.

### VI. PERMITTING

Construction permits for all phases are required and include the SWFWMD Environmental Resource Permit (ERP), Polk County Health Department, Florida Department of Environmental Protection (FDEP), Army Corps of Engineer Permit (ACOE), and City construction plan approval.

Following is a summary of required permits obtained and pending for the construction of the public infrastructure improvements for the District:

### **PHASE 1 (266 Lots)**

Permits / Approvals	Approval / Expected Date
Zoning Approval	Approved
Preliminary Plat	Approved
SWFWMD ERP	Approved
Construction Permits	Approved
Polk County Health Department Water	Approved
FDEP Sewer	Approved
FDEP NOI	Approved
ACOE	N/A

### **PHASE 2 (130 Lots)**

Permits / Approvals	Approval / Expected Date
Zoning Approval	Approved
Preliminary Plat	Approved
SWFWMD ERP	October 2019
Construction Permits	October 2019
Polk County Health Department Water	October 2019
FDEP Sewer	October 2019
FDEP NOI	October 2019
ACOE	N/A

PHASE 3 (46 Lots)

Permits / Approvals	Approval / Expected Date
Zoning Approval	November 2019
Preliminary Plat	November 2019
SWFWMD ERP	January 2020
Construction Permits	January 2020
Polk County Health Department Water	January 2020
FDEP Sewer	January 2020
FDEP NOI	January 2020
ACOE	January 2020

### VII. RECOMMENDATION

As previously described within this report, the public infrastructure as described is necessary for the development and functional operation as required by the City. The site planning, engineering design and construction plans for the infrastructure are in accordance with the applicable requirements of the City of Haines City, and the SWFWMD. It should be noted that the infrastructure will provide its intended use and function so long as the construction and installation is in substantial conformance with the design construction plans and regulatory permits.

Items utilized in the *Opinion of Probable Costs* for this report are based upon proposed plan infrastructure as shown on construction drawings incorporating specifications in the most current SWFWMD and the City regulations.

### VIII. REPORT MODIFICATION

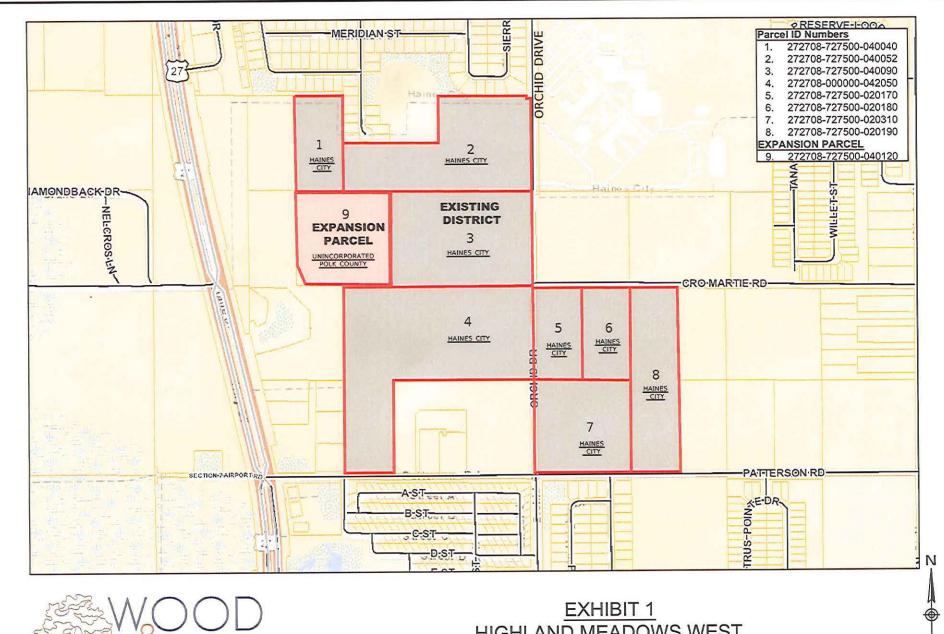
During development and implementation of the public infrastructure improvements as described for the District, it may be necessary to make modifications and/or deviations for the plans. However, if such deviations and/or revisions do not change the overall primary objective of the plan for such improvements, then the costs differences would not materially affect the proposed cost estimates.

### IX. CONCLUSION

It is our professional opinion that the public infrastructure costs for the CIP provided in this Report are reasonable to complete the construction of the public infrastructure improvements. Furthermore, the public infrastructure improvements will benefit and add value to lands within the District at least equal to the costs of such improvements.

The *Opinion of Probable Costs* of the public infrastructure improvements is only an estimate and is not a guaranteed maximum price. The estimated costs are based upon unit prices currently experienced on an ongoing and similar basis for work in the County. However, labor market, future costs of equipment, materials, changes to the regulatory permitting agencies activities, and the actual construction processes employed by the chosen site contractor are beyond the engineer's control. Due to this inherent opportunity for changes (upward or downward) in the construction costs, the total, final construction cost may be more or less than this estimate.

Based upon the presumption that the CIP construction continues in a timely manner, it is our professional opinion that the proposed public infrastructure improvements when constructed and built in substantial conformance with the approved plans and specifications, can be completed and used for their intended function. Be advised that we have utilized historical costs and direct unit costs from site contractors and consultants in the County, which we believe to be necessary in order to facilitate accuracy associated with the *Opinion of Probable Costs*. Based upon the information above, it is our professional opinion that the acquisition and construction costs of the proposed CIP can be completed at the cost as stated.





1925 BARTOW ROAD \* LAKELAND, FL 33801 OFFICE: (863) 940-2040 • FAX: (863) 940-2044 • CELL: (863) 662-0018 EMAIL: INFO@WOODCIVIL.COM

HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT **LOCATION MAP** 



SCALE

### EXISTING DISTRICT LEGAL DESCRIPTION

TRACT 4 IN THE SW ¼ OF SECTION 8 TOWNSHIP 27 SOUTH, RANGE 27 EAST, FLORIDA DEVELOPMENT CO. TRACT, ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA; AND THE SOUTH ½ OF CLOSED ROAD LYING ALONG THE NORTH BOUNDARY THEREOF AS RECORDED IN O.R. BOOK 4200, PAGE 569, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

### AND

TRACTS 7 AND 8 AND THE SOUTH ½ OF TRACTS 5 AND 6 IN THE SOUTHWEST ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, ALL BEING A PART OF FLORIDA DEVELOPMENT CO. TRACT, ACCORDING TO THE MAP OR PLAT THEREOF, AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, AND THE SOUTH ½ OF CLOSED ROAD LYING ALONG THE NORTH BOUNDARY OF LOTS 7 AND 8 AS DESCRIBED IN O.R. BOOK 4200, PAGE 569; LESS ROAD RIGHT-OF-WAY FOR ORCHID DRIVE AND LESS ADDITIONAL RIGHT-OF-WAY SET FORTH IN MAP BOOK 17, PAGES 78-86, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

### AND

TRACTS 9, 10, AND 11, IN THE SW ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, FLORIDA DEVELOPMENT CO. TRACT, ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, BEING LOCATED IN THE SE ¼ OF THE NE ¼ OF THE SW ¼ AND THE EAST ½ OF THE SW ¼ OF THE NE ¼ OF THE SW ¼ OF SECTION 8.

### AND

THE SOUTHEAST ¼ OF THE SOUTHWEST ¼, LESS THE EAST ¾ OF THE SOUTH ½ AND LESS MAINTAINED RIGHT-OF-WAY, IN SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA.

### AND

TRACT 17 IN THE SOUTHEAST ½ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, MAP OF FLORIDA DEVELOPMENT CO. TRACT, ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

### AND

TRACT 18 IN THE SE ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, ACCORDING TO PLAT OF FLORIDA DEVELOPMENT COMPANY, AS PER MAP OR PLAT THEREOF RECORDED IN OFFICE OF CLERK OF CIRCUIT COURT OF POLK COUNTY, FLORIDA IN PLAT BOOK 3, PAGES 60 ET. SEQ.

### AND

TRACTS 31 AND 32 IN THE SE ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF THE MAP OF FLORIDA DEVELOPMENT CO. TRACT, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

### AND

TRACTS 19 AND 30, IN THE SE ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF THE MAP OF FLORIDA DEVELOPMENT COMPANY'S SUBDIVISION, ACCORDING TO THE PLAT THERE OF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

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EXHIBIT 2 - EXISTING DISTRICT

HIGHLAND MEADOWS WEST

COMMUNITY DEVELOPMENT DISTRICT

LEGAL DESCRIPTION

#### ALL BEING MORE PARTICULARLY DESCRIBED AS:

BEGIN AT A 4" X 4" CONCRETE MONUMENT AND CAP "LB 5486" STANDING AT THE INTERSECTION OF THE NORTH LINE OF THE SOUTHWEST ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST POLK COUNTY, FLORIDA AND THE WESTERLY RIGHT-OF-WAY OF ORCHID DRIVE ACCORDING TO PLAT BOOK 126, PAGES 27 AND 28, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, AND RUN THENCE ALONG SAID WESTERLY RIGHT-OF-WAY THE FOLLOWING TWO (2) COURSES: 1) S-00°23'53"-E, 15.00 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 2) S-89°40'39"-E, 19.67 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING ON THE WESTERLY MAINTAINED RIGHT-OF-WAY OF ORCHID DRIVE ACCORDING TO MAP BOOK 17, PAGES 78 TO 86 (INCLUSIVE), PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE ALONG SAID WESTERLY MAINTAINED RIGHT-OF-WAY THE FOLLOWING FOUR (4) COURSES: 1) S-00°33'47"-E, 196.32 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 2) S-00°03'38"-E, 448.01 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 3) S-00°01'10"-E, 339.80 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 4) S-00°03'05"-W, 305.12 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING ON THE SOUTH LINE OF SAID TRACT 9, SAID POINT IS HEREBY DESIGNATED "POINT-A" TO BE USED HEREINAFTER; THENCE DEPARTING SAID WESTERLY MAINTAINED RIGHT-OF-WAY, AND ALONG THE SOUTH LINE OF SAID TRACTS 9, 10, 11, 12, AND 13, N-89°43'48"-W, 1585.69 FEET; THENCE DEPARTING SAID SOUTH LINE, N-26°43'51"-W, 95.39 FEET TO A POINT ON THE WEST LINE SAID TRACT 13; THENCE ALONG SAID WEST LINE AND THE WEST LINE OF SAID TRACT 4 AND ITS NORTHERLY PROJECTION, N-00°16'28"-W, 1220.78 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHWEST ¼ OF SAID SECTION 8; THENCE ALONG SAID NORTH LINE S-89°40'39"-E, 330.48 FEET TO A POINT ON THE NORTHERLY PROJECTION OF THE EAST LINE OF SAID TRACT 4; THENCE ALONG THE WEST LINE OF SAID TRACT 4, AND ITS NORTHERLY PROJECTION, S-00°17'57"-E, 330.12 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING ON THE NORTH LINE OF THE SOUTH ½ OF SAID TRACT 5; THENCE ALONG SAID NORTH LINE, AND ALONG THE NORTH LINE OF THE SOUTH ½ OF SAID TRACT 6, S-89°41'26"-E, 661.24 FEET TO A 4" X 4" CONCRETE MONUMENT WITH NO IDENTIFICATION STANDING ON THE WEST LINE OF SAID TRACT 7; THENCE ALONG SAID WEST LINE, AND ITS NORTHERLY PROJECTION N-00°20'56"-W, 329.97 FEET TO A 5/8" IRON ROD AND CAP "LB 6512" STANDING ON THE NORTH LINE OF THE SOUTHWEST ¼ OF SAID SECTION 8, THENCE ALONG SAID NORTH LINE, N-89°40'39"-W, 621.00 FEET TO THE POINT OF BEGINNING.

### AND

COMMENCE AT PREVIOUSLY DESIGNATED "POINT-A" AND RUN THENCE S-00°05'11"-E, 15.00 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT THE INTERSECTION OF THE NORTH LINE OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, AND THE WESTERLY MAINTAINED RIGHT-OF-WAY OF ORCHID DRIVE ACCORDING TO THE MAP BOOK 17, PAGES 78-86 (INCLUSIVE), PUBLIC RECORDS OF POLK COUNTY, FLORIDA, SAID POINT IS ALSO THE POINT OF BEGINNING; THENCE ALONG SAID WESTERLY MAINTAINED RIGHT-OF-WAY THE FOLLOWING THREE (3) COURSES: 1) S-00°03'39"-W, 190.08 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 2) S-00°12'52"-E, 241.43 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 3) S-00°24'46"-E, 228.13 FEET TO A 5/8" IRON ROD AND CAP" LB 8126" STANDING AT IT INTERSECTION WITH THE NORTH LINE OF THE EAST ¾ OF THE SOUTH ½ OF THE SOUTHEAST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 8; THENCE DEPARTING SAID WESTERLY MAINTAINED RIGHT-OF-WAY, AND ALONG SAID NORTH LINE, N-89°45'22"-W, 964.66 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING ON THE EAST LINE OF THE EAST ¼ OF THE SOUTH ½ OF THE SOUTHEAST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 8, THENCE ALONG SAID EAST LINE, S-00°19'26"-E, 650.73 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING ON THE NORTHERLY MAINTAINED RIGHT-OF-WAY OF PATTERSON ROAD ACCORDING TO THE MAP BOOK 17, PAGES 74-77 (INCLUSIVE), PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE ALONG SAID NORTHERLY MAINTAINED RIGHT-OF-WAY, S-89°49'12"-W, 331.60 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT ITS INTERSECTION WITH THE WEST LINE OF THE SOUTHEAST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 8; THENCE ALONG SAID WEST LINE, N-00°17'57"-W, 1313.42 FEET TO A 5/8" IRON ROD AND CAP" LB 8126" STANDING ON THE NORTH LINE OF THE SOUTHEAST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 8; THENCE ALONG SAID NORTH LINE, S-89° 43'48"-E, 1297.09 FEET TO THE POINT OF BEGINNING.

CONTINUED ON PAGE 3 OF 3



**EXHIBIT 2 - EXISTING DISTRICT** 

HIGHLAND MEADOWS WEST
COMMUNITY DEVELOPMENT DISTRICT
LEGAL DESCRIPTION

### ALSO AND

COMMENCE AT PREVIOUSLY DESIGNATED "POINT-A" AND RUN THENCE S-54°26'27"-E, 51.90 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT THE INTERSECTION OF THE NORTH LINE OF SAID TRACTS 17, 18, AND 19 AND THE EASTERLY MAINTAINED RIGHT-OF-WAY OF ORCHID DRIVE, ACCORDING TO THE MAP BOOK 17, PAGES 78-86 (INCLUSIVE), PUBLIC RECORDS OF POLK COUNTY, FLORIDA SAID POINT IS ALSO THE POINT OF BEGINNING; THENCE ALONG SAID NORTH LINE S-89°47'38"-E, 980.61 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT THE NORTHEAST CORNER OF SAID TRACT 19; THENCE ALONG THE EAST LINE OF SAID TRACT 19, AND CONTINUING ALONG THE EAST LINE OF SAID TRACT 30, S-00°20'45"-E, 1283.28 FEET TO A P.K. NAIL AND DISK "LB 8126" STANDING ON THE NORTHERLY MAINTAINED RIGHT-OF-WAY OF PATTERSON ROAD ACCORDING TO THE MAP BOOK 17, PAGES 74-77 (INCLUSIVE), PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE ALONG SAID NORTHERLY MAINTAINED RIGHT-OF-WAY THE FOLLOWING THREE (3) COURSES: 1) S-89°51'37"-W, 958.19 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 2) N-46°48'21"-W, 18.40 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 3) N-31°41'13"-W, 15.08 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT ITS INTERSECTION WITH SAID EASTERLY MAINTAINED RIGHT-OF-WAY OF SAID ORCHID DRIVE; THENCE ALONG SAID EASTERLY MAINTAINED RIGHT-OF-WAY, N-00°23'59"-W, 1263.72 FEET TO THE POINT OF BEGINNING.

### AND LESS

TRACT 12 AND TRACT 13 IN THE SOUTHWEST ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF "FLORIDA DEVELOPMENT CO. TRACT", ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

### **LESS AND EXCEPT**

**BEGIN** AT THE SOUTHWEST CORNER OF SAID TRACT 13 AND RUN THENCE ALONG THE WEST LINE THEREOF N-00°16'28"-W, 85.00 FEET; THENCE DEPARTING SAID WEST LINE S-26°43'51"-E, 95.39 FEET TO A POINT ON THE SOUTH LINE OF SAID TRACT 13; THENCE ALONG THE SOUTH LINE OF SAID TRACT 13 N-89°43'48"-W, 42.50 FEET TO THE **POINT OF BEGINNING**.

### ALL BEING MORE PARTICULARLY DESCRIBED AS:

BEGIN AT A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT THE SOUTHEAST CORNER OF SAID TRACT 12 AND RUN ALONG THE SOUTH LINE OF SAID TRACT 12 AND CONTINUE ALONG THE SOUTH SAID TRACT 13, N-89°43'48"-W, 619.58 FEET; THENCE DEPARTING THE SOUTH LINE SAID TRACT 13, N-26°43'51"-W, 95.39 FEET TO A POINT ON THE WEST LINE OF SAID TRACT 13; THENCE ALONG SAID WEST LINE, N-00°16'28"-W, 560.39 FEET TO THE NORTHWEST CORNER OF SAID TRACT 13; THENCE ALONG THE NORTH LINE OF SAID TRACT 13 AND CONTINUE ALONG THE NORTH LINE OF SAID TRACT 12, S-89°42'13"-E, 661.52 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT THE NORTHEAST CORNER OF SAID TRACT 12; THENCE ALONG THE EAST LINE OF SAID TRACT 12, S-00°19'26"-E, 645.09 FEET TO THE POINT OF BEGINNING.

CONTAINING 87.91 ACRES MORE OR LESS.



EXHIBIT 2 - EXISTING DISTRICT

HIGHLAND MEADOWS WEST

COMMUNITY DEVELOPMENT DISTRICT

LEGAL DESCRIPTION

### EXPANSION PARCEL LEGAL DESCRIPTION

TRACT 12 AND TRACT 13 IN THE SOUTHWEST ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF "FLORIDA DEVELOPMENT CO. TRACT", ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

### **LESS AND EXCEPT**

**BEGIN** AT THE SOUTHWEST CORNER OF SAID TRACT 13 AND RUN THENCE ALONG THE WEST LINE THEREOF N-00°16'28"-W, 85.00 FEET; THENCE DEPARTING SAID WEST LINE S-26°43'51"-E, 95.39 FEET TO A POINT ON THE SOUTH LINE OF SAID TRACT 13; THENCE ALONG THE SOUTH LINE OF SAID TRACT 13 N-89°43'48"-W, 42.50 FEET TO THE **POINT OF BEGINNING**.

### ALL BEING MORE PARTICULARLY DESCRIBED AS:

BEGIN AT A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT THE SOUTHEAST CORNER OF SAID TRACT 12 AND RUN ALONG THE SOUTH LINE OF SAID TRACT 12 AND CONTINUE ALONG THE SOUTH SAID TRACT 13, N-89°43'48"-W, 619.58 FEET; THENCE DEPARTING THE SOUTH LINE SAID TRACT 13, N-26°43'51"-W, 95.39 FEET TO A POINT ON THE WEST LINE OF SAID TRACT 13; THENCE ALONG SAID WEST LINE, N-00°16'28"-W, 560.39 FEET TO THE NORTHWEST CORNER OF SAID TRACT 13; THENCE ALONG THE NORTH LINE OF SAID TRACT 13 AND CONTINUE ALONG THE NORTH LINE OF SAID TRACT 12, S-89°42'13"-E, 661.52 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT THE NORTHEAST CORNER OF SAID TRACT 12; THENCE ALONG THE EAST LINE OF SAID TRACT 12, S-00°19'26"-E, 645.09 FEET TO THE POINT OF BEGINNING.

CONTAINING 9.76 ACRES MORE OR LESS.



EXHIBIT 2 - EXPANSION PARCEL

HIGHLAND MEADOWS WEST

COMMUNITY DEVELOPMENT DISTRICT

LEGAL DESCRIPTION

### OVERALL LEGAL DESCRIPTION AFTER EXPANSION

TRACT 4 IN THE SW ¼ OF SECTION 8 TOWNSHIP 27 SOUTH, RANGE 27 EAST, FLORIDA DEVELOPMENT CO. TRACT, ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA; AND THE SOUTH ½ OF CLOSED ROAD LYING ALONG THE NORTH BOUNDARY THEREOF AS RECORDED IN O.R. BOOK 4200, PAGE 569, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

### AND

TRACTS 7 AND 8 AND THE SOUTH ½ OF TRACTS 5 AND 6 IN THE SOUTHWEST ½ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, ALL BEING A PART OF FLORIDA DEVELOPMENT CO. TRACT, ACCORDING TO THE MAP OR PLAT THEREOF, AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, AND THE SOUTH ½ OF CLOSED ROAD LYING ALONG THE NORTH BOUNDARY OF LOTS 7 AND 8 AS DESCRIBED IN O.R. BOOK 4200, PAGE 569; LESS ROAD RIGHT-OF-WAY FOR ORCHID DRIVE AND LESS ADDITIONAL RIGHT-OF-WAY SET FORTH IN MAP BOOK 17, PAGES 78-86, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

### AND

TRACTS 9, 10, AND 11, IN THE SW ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, FLORIDA DEVELOPMENT CO. TRACT, ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, BEING LOCATED IN THE SE ¼ OF THE NE ¼ OF THE SW ¼ AND THE EAST ½ OF THE SW ¼ OF THE NE ¼ OF THE SW ¼ OF SECTION 8.

### AND

THE SOUTHEAST ½ OF THE SOUTHWEST ½, LESS THE EAST ¾ OF THE SOUTH ½ AND LESS MAINTAINED RIGHT-OF-WAY, IN SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA.

### AND

TRACT 17 IN THE SOUTHEAST ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, MAP OF FLORIDA DEVELOPMENT CO. TRACT, ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

### AND

TRACT 18 IN THE SE ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, ACCORDING TO PLAT OF FLORIDA DEVELOPMENT COMPANY, AS PER MAP OR PLAT THEREOF RECORDED IN OFFICE OF CLERK OF CIRCUIT COURT OF POLK COUNTY, FLORIDA IN PLAT BOOK 3, PAGES 60 ET. SEQ.

### AND

TRACTS 31 AND 32 IN THE SE ½ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF THE MAP OF FLORIDA DEVELOPMENT CO. TRACT, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

### AND

TRACTS 19 AND 30, IN THE SE ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF THE MAP OF FLORIDA DEVELOPMENT COMPANY'S SUBDIVISION, ACCORDING TO THE PLAT THERE OF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

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**EXHIBIT 2 - OVERALL AMENDED DISTRICT** 

HIGHLAND MEADOWS WEST
COMMUNITY DEVELOPMENT DISTRICT
LEGAL DESCRIPTION

### AND TOGETHER WITH

TRACT 12 AND TRACT 13 IN THE SOUTHWEST ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF "FLORIDA DEVELOPMENT CO. TRACT", ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 3, PAGE 60, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

### LESS AND EXCEPT

**BEGIN** AT THE SOUTHWEST CORNER OF SAID TRACT 13 AND RUN THENCE ALONG THE WEST LINE THEREOF N-00°16'28"-W, 85.00 FEET; THENCE DEPARTING SAID WEST LINE S-26°43'51"-E, 95.39 FEET TO A POINT ON THE SOUTH LINE OF SAID TRACT 13; THENCE ALONG THE SOUTH LINE OF SAID TRACT 13 N-89°43'48"-W, 42.50 FEET TO THE **POINT OF BEGINNING**.

#### ALL BEING MORE PARTICULARLY DESCRIBED AS:

BEGIN AT A 4" X 4" CONCRETE MONUMENT AND CAP "LB 5486" STANDING AT THE INTERSECTION OF THE NORTH LINE OF THE SOUTHWEST ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST POLK COUNTY, FLORIDA AND THE WESTERLY RIGHT-OF-WAY OF ORCHID DRIVE ACCORDING TO PLAT BOOK 126, PAGES 27 AND 28, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, AND RUN THENCE ALONG SAID WESTERLY RIGHT-OF-WAY THE FOLLOWING TWO (2) COURSES: 1) S-00°23'53"-E, 15.00 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 2) S-89°40'39"-E, 19.67 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING ON THE WESTERLY MAINTAINED RIGHT-OF-WAY OF ORCHID DRIVE ACCORDING TO MAP BOOK 17, PAGES 78 TO 86 (INCLUSIVE), PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE ALONG SAID WESTERLY MAINTAINED RIGHT-OF-WAY THE FOLLOWING FOUR (4) COURSES: 1) S-00°33'47"-E, 196.32 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 2) S-00°03'38"-E, 448.01 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 3) S-00°01'10"-E, 339.80 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 4) S-00°03'05"-W, 305.12 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING ON THE SOUTH LINE OF SAID TRACT 9, SAID POINT IS HEREBY DESIGNATED "POINT-A" TO BE USED HEREINAFTER; THENCE DEPARTING SAID WESTERLY MAINTAINED RIGHT-OF-WAY, AND ALONG THE SOUTH LINE OF SAID TRACTS 9, 10, 11, 12, AND 13, N-89°43'48"-W, 1585.69 FEET; THENCE DEPARTING SAID SOUTH LINE, N-26°43'51"-W, 95.39 FEET TO A POINT ON THE WEST LINE SAID TRACT 13; THENCE ALONG SAID WEST LINE AND THE WEST LINE OF SAID TRACT 4 AND ITS NORTHERLY PROJECTION, N-00°16'28"-W, 1220.78 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHWEST ¼ OF SAID SECTION 8; THENCE ALONG SAID NORTH LINE S-89°40'39"-E, 330.48 FEET TO A POINT ON THE NORTHERLY PROJECTION OF THE EAST LINE OF SAID TRACT 4; THENCE ALONG THE WEST LINE OF SAID TRACT 4, AND ITS NORTHERLY PROJECTION, S-00°17'57"-E, 330.12 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING ON THE NORTH LINE OF THE SOUTH ½ OF SAID TRACT 5; THENCE ALONG SAID NORTH LINE, AND ALONG THE NORTH LINE OF THE SOUTH ½ OF SAID TRACT 6, S-89°41'26"-E, 661.24 FEET TO A 4" X 4" CONCRETE MONUMENT WITH NO IDENTIFICATION STANDING ON THE WEST LINE OF SAID TRACT 7; THENCE ALONG SAID WEST LINE, AND ITS NORTHERLY PROJECTION N-00°20'56"-W. 329.97 FEET TO A 5/8" IRON ROD AND CAP "LB 6512" STANDING ON THE NORTH LINE OF THE SOUTHWEST ¼ OF SAID SECTION 8, THENCE ALONG SAID NORTH LINE, N-89°40'39"-W, 621.00 FEET TO THE POINT OF BEGINNING.

### <u>AND</u>

COMMENCE AT PREVIOUSLY DESIGNATED "POINT-A" AND RUN THENCE S-00°05'11"-E, 15.00 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT THE INTERSECTION OF THE NORTH LINE OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 8, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, AND THE WESTERLY MAINTAINED RIGHT-OF-WAY OF ORCHID DRIVE ACCORDING TO THE MAP BOOK 17, PAGES 78-86 (INCLUSIVE), PUBLIC RECORDS OF POLK COUNTY, FLORIDA, SAID POINT IS ALSO THE POINT OF BEGINNING; THENCE ALONG SAID WESTERLY MAINTAINED RIGHT-OF-WAY THE FOLLOWING THREE (3) COURSES: 1) S-00°03'39"-W, 190.08 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 2) S-00°12'52"-E, 241.43 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 3) S-00°24'46"-E, 228.13 FEET TO A 5/8" IRON ROD AND CAP" LB 8126" STANDING AT IT INTERSECTION WITH THE NORTH LINE OF THE EAST ¾ OF THE SOUTH ½ OF THE SOUTHEAST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 8; THENCE DEPARTING SAID WESTERLY MAINTAINED RIGHT-OF-WAY, AND ALONG SAID NORTH LINE, N-89°45'22"-W, 964.66 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING ON THE EAST LINE OF THE EAST ¾ OF THE SOUTH ½ OF THE SOUTHEAST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 8, THENCE ALONG SAID EAST LINE, S-00°19'26"-E, 650.73 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING ON THE NORTHERLY MAINTAINED RIGHT-OF-WAY OF PATTERSON ROAD ACCORDING TO THE MAP BOOK 17, PAGES 74-77 (INCLUSIVE), PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE ALONG SAID NORTHERLY MAINTAINED RIGHT-OF-WAY, S-89°49'12"-W, 331.60 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT ITS INTERSECTION WITH THE WEST LINE OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 8; THENCE ALONG SAID WEST LINE, N-00°17'57"-W, 1313.42 FEET TO A 5/8" IRON ROD AND CAP" LB 8126" STANDING ON THE NORTH LINE OF THE SOUTHEAST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 8; THENCE ALONG SAID NORTH LINE, S-89° 43'48"-E, 1297.09 FEET TO THE POINT OF BEGINNING.

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EXHIBIT 2 - OVERALL AMENDED DISTRICT

HIGHLAND MEADOWS WEST
COMMUNITY DEVELOPMENT DISTRICT
LEGAL DESCRIPTION

### ALSO AND

COMMENCE AT PREVIOUSLY DESIGNATED "POINT-A" AND RUN THENCE S-54°26'27"-E, 51.90 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT THE INTERSECTION OF THE NORTH LINE OF SAID TRACTS 17, 18, AND 19 AND THE EASTERLY MAINTAINED RIGHT-OF-WAY OF ORCHID DRIVE, ACCORDING TO THE MAP BOOK 17, PAGES 78-86 (INCLUSIVE), PUBLIC RECORDS OF POLK COUNTY, FLORIDA SAID POINT IS ALSO THE POINT OF BEGINNING; THENCE ALONG SAID NORTH LINE S-89°47'38"-E, 980.61 FEET TO A 5/8" IRON ROD AND CAP "LB 8126" STANDING AT THE NORTHEAST CORNER OF SAID TRACT 19; THENCE ALONG THE EAST LINE OF SAID TRACT 19, AND CONTINUING ALONG THE EAST LINE OF SAID TRACT 30, S-00°20'45"-E, 1283.28 FEET TO A P.K. NAIL AND DISK "LB 8126" STANDING ON THE NORTHERLY MAINTAINED RIGHT-OF-WAY OF PATTERSON ROAD ACCORDING TO THE MAP BOOK 17, PAGES 74-77 (INCLUSIVE), PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE ALONG SAID NORTHERLY MAINTAINED RIGHT-OF-WAY THE FOLLOWING THREE (3) COURSES: 1) S-89°51'37"-W, 958.19 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 2) N-46°48'21"-W, 18.40 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 2) N-46°48'21"-W, 18.40 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 3) N-31°41'13"-W, 15.08 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 3) N-31°41'13"-W, 15.08 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE 3) N-31°41'13"-W, 15.08 FEET TO A 5/8" IRON ROD AND CAP "LB 8126"; THENCE ALONG SAID EASTERLY MAINTAINED RIGHT-OF-WAY, N-00°23'59"-W, 1263.72 FEET TO THE POINT OF BEGINNING.

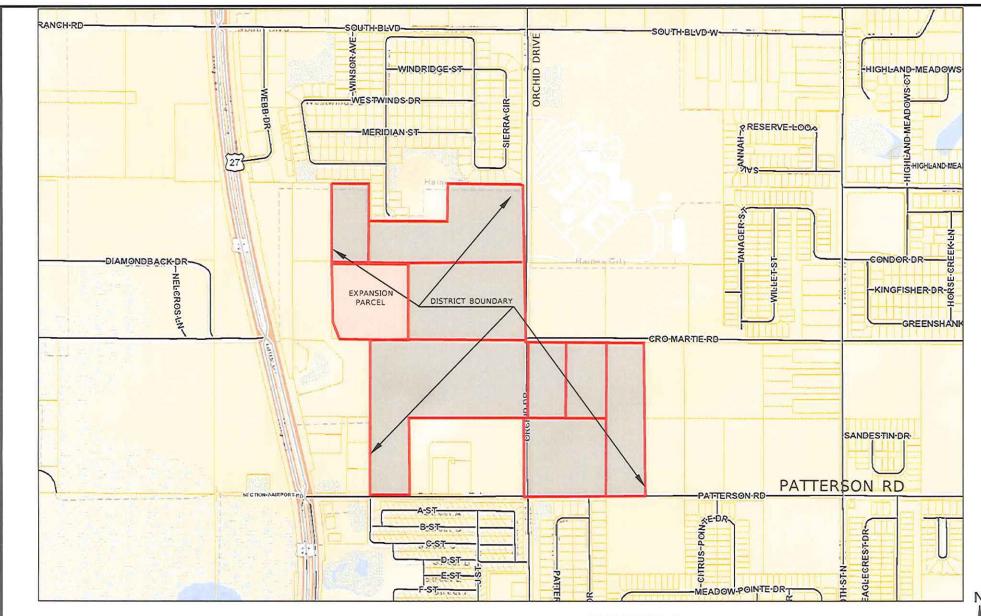
CONTAINING 97.67 ACRES MORE OR LESS.



EXHIBIT 2 - OVERALL AMENDED DISTRICT

HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT LEGAL DESCRIPTION

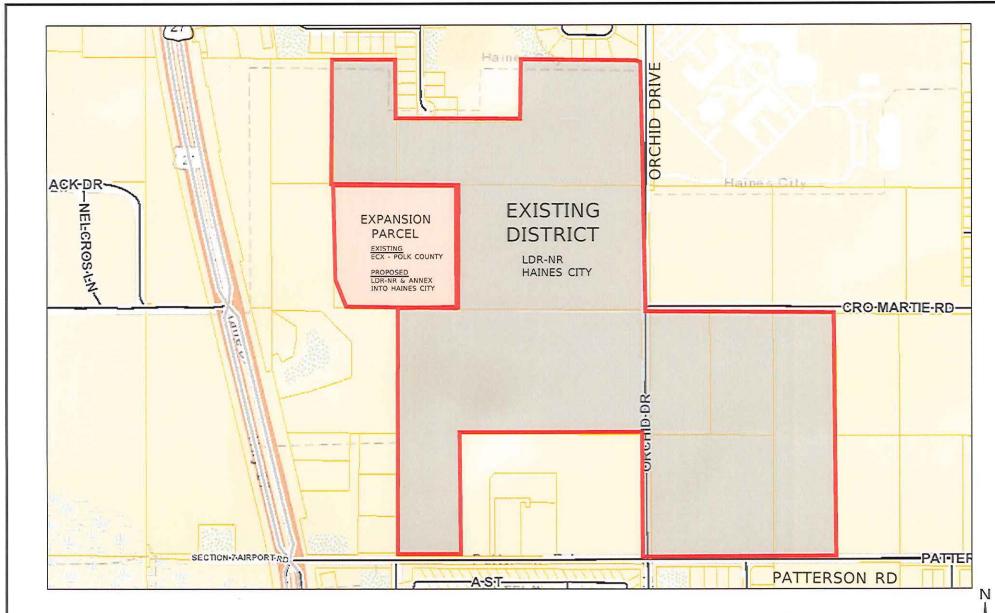
PAGE 3 OF 3





# EXHIBIT 3 HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT DISTRICT BOUNDARY MAP







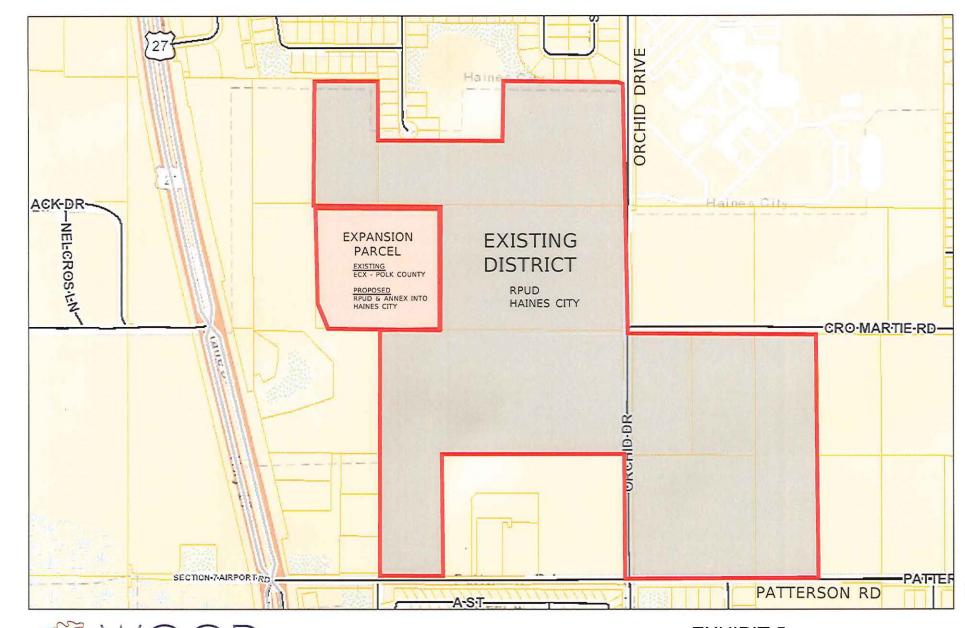
1925 BARTOW ROAD \* LAKELAND, FL 33801 OFFICE: (863) 940-2040 \* FAX: (863) 940-2044 \* CELL: (863) 662-0018 EMAIL: INFO@WOODCIVIL.COM

#### LEGEND

LDR-NR: LOW DENSITY RESIDENTIAL NORTH RIDGE (HAINES CITY)

ECX: EMPLOYMENT CENTER (POLK COUNTY)

# EXHIBIT 4 HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT FUTURE LAND USE





1925 BARTOW ROAD \* LAKELAND, FL 33801
OFFICE: (863) 940-2040 \* FAX: (863) 940-2044 \* CELL: (863) 662-0018
EMAIL: INFO@WOODCIVIL.COM

#### LEGEND

LDR-NR: LOW DENSITY RESIDENTIAL

NORTH RIDGE (HAINES CITY)

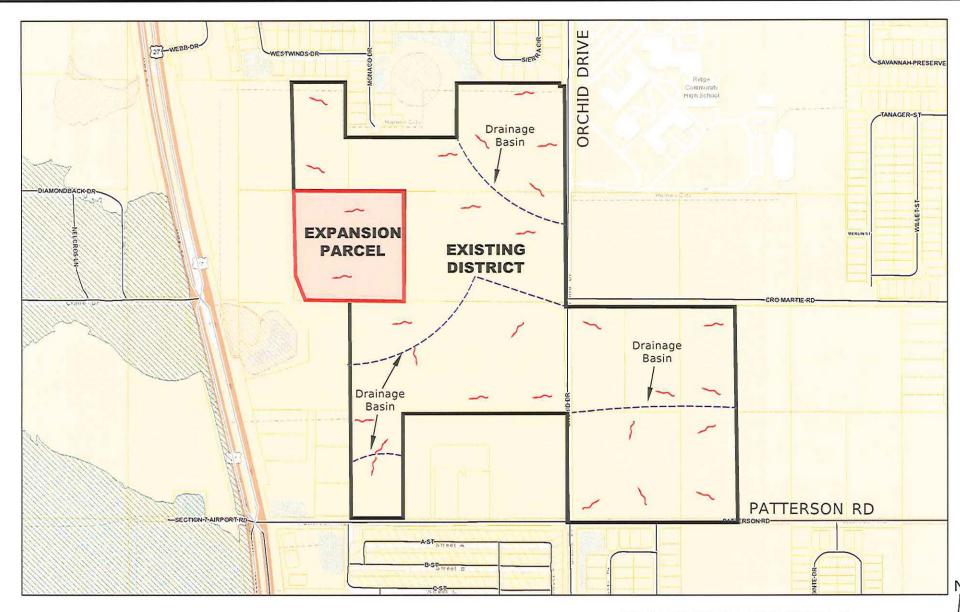
RPUD: RESIDENTIAL PLANNED UNIT DEVELOPMENT (HAINES CITY)

ECX: EMPLOYMENT CENTER (POLK COUNTY)

## EXHIBIT 5 HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT

**ZONING MAP** 







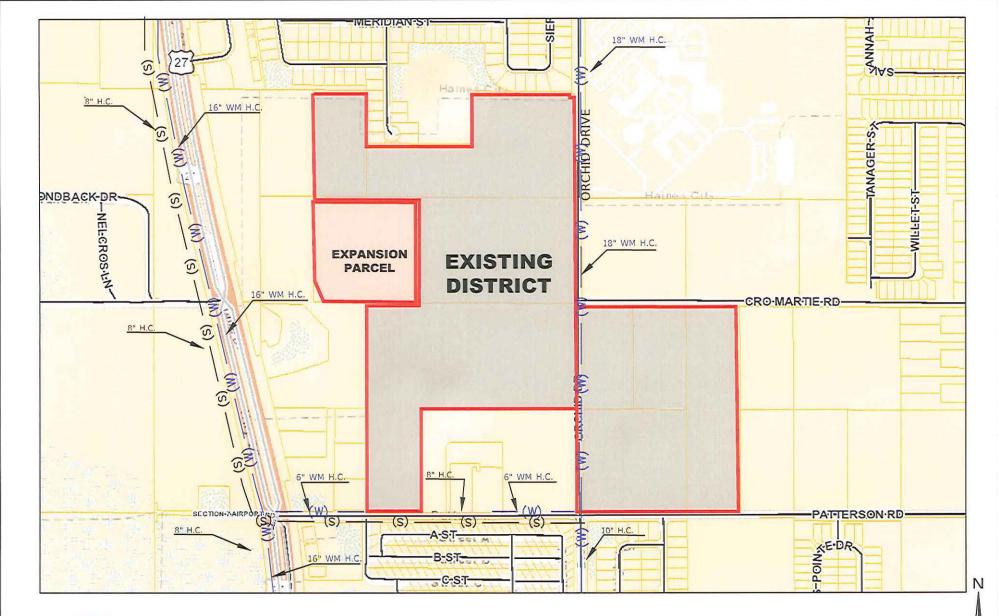
1925 BARTOW ROAD . LAKELAND, FL 33801 OFFICE: (863) 940-2040 \* FAX: (863) 940-2044 \* CELL: (863) 662-0018 EMAIL: INFO@WOODCIVIL.COM

LEGEND

FLOW DIRECTION -- DRAINAGE BASIN

COMPOSITE EXHIBIT 6 HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT DRAINAGE FLOW PATTERN MAP







#### LEGEND

——— (W) ——— EXISTING WATER MAIN (HAINES CITY)

(S) — EXISTING GRAVITY SEWER MAIN (HAINES CITY)

COMPOSITE EXHIBIT 6
HIGHLAND MEADOWS WEST
COMMUNITY DEVELOPMENT DISTRICT
WATER & SEWER

## Exhibit 7 Highland Meadows West Community Development District Summary of Probable Cost

Infrastructure (1)(9)	Phase 1 (266 Lots) 2019-2020	Phase 2 (130 Lots) 2020-2021	Phase 3 (46 Lots) 2020-2021	<u>Total</u> (442 Lots)
Offsite Improvements (5)(6)	\$ 270,000.00	\$ 118,000.00	\$ 42,000.00	\$ 430,000.00
Stormwater Management (2)(3)(5)(6)	\$1,149,000.00	\$ 560,000.00	\$ 200,000.00	\$1,909,000.00
Utilities (Water, Sewer, & Street Lighting) (5)(6) (8)	\$1,975,000.00	\$ 970,000.00	\$ 350,000.00	\$3,295,000.00
Roadway (4)(5)(6)	\$ 995,000.00	\$ 490,000.00	\$ 200,000.00	\$1,685,000.00
Entry Feature & Signage (6)(7)	\$ 440,000.00	\$ 210,000.00	\$ 20,000.00	\$ 670,000.00
Amenity Center (1)(6)	\$ 412,894.00	\$ 201,790.00	\$ 70,000.00	\$ 684,684.00
Parks and Recreation Facilities (1)(6)	\$ 127,106.00	\$ 58,210.00	\$ 20,000.00	\$ 205,316.00
Contingency	\$ 540,000.00	\$ 238,000.00	<u>\$ 78,000.00</u>	<u>\$ 856,000.00</u>
TOTAL	\$5,909,000.00	\$2,846,000.00	\$ 980,000.00	\$9,735,000.00

#### Notes:

- 1. Infrastructure consists of public roadway improvements, stormwater management facilities, master sanitary sewer lift station and utilities, entry feature, landscaping and signage, and neighborhood parks.
- 2. Excludes grading of each lot for initial pad construction, lot finishing, and in conjunction with home construction, which will be provided by home builder.
- 3. Includes stormwater pond excavation. Costs do not include transportation to or placement of fill on private property.
- 4. Includes sub-grade, base, asphalt paving, curbing, and civil/site engineering of public roads.
- 5. Includes subdivision infrastructure and civil/site engineering.
- 6. Estimates are based on 2019 cost.
- 7. Includes entry features, signage, hardscape, landscape, irrigation and fencing.
- 8. CDD will enter into a Lighting Agreement with Duke Energy for the street light poles and lighting service. Only undergrounding of wires in public right-of-way and on District land is included.
- 9. Estimates based on Master Infrastructure to support development of 442 lots.

# Exhibit 8 Highland Meadows West Community Development District Summary of Proposed District Facilities

<u>District Infrastructure</u>	Construction	Ownership Capital Financin		Operation and Maintenance
Entry Feature & Signage	District	District District Bonds		District
Stormwater Facilities	District	District	District Bonds	District
Lift Stations/Water/Sewer	District	City of Haines City	District Bonds	City of Haines City
Street Lighting/Conduit	District	District	District Bonds	District
Road Construction	District	District	District Bonds	District
Parks and Amenities	District	District	District Bonds	District
Offsite Improvements	District	Polk County	District Bonds	Polk County

<sup>\*</sup>Costs not funded by bonds will be funded by the developer

<sup>\*\*</sup>Street Lighting/conduit shall be owned and maintained by the District or the District shall enter into a lease with Duke Energy.

# HIGHLAND MEADOWS WEST CDD "WEST" BLOCK S 00°03'38" F<sub>W</sub> 448.01' (F) PHASE 2 PHASE 1 = 266 LOTS 130 LOTS PHASE 2 = 130 LOTSPHASE 3 = 46 LOTSTOTAL 442 LOTS

OVERALL GENERAL

LOT LAYOUT

**EXHIBIT** 

## SECTION B

## SUPPLEMENTAL ASSESSMENT METHODOLOGY

#### **FOR**

# HIGHLANDS MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT ASSESSMENT AREA 2 AND ASSESSMENT AREA 3

Date: January 8, 2020

Prepared by

Governmental Management Services - Central Florida, LLC 135 W. Central Blvd, Suite 320 Orlando, FL 32801

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GMS-CF, LLC does not represent the Highland Meadows West Community

Development District as a Municipal Advisor or Securities Broker nor is GMS-CF, LLC registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, GMS-CF, LLC does not provide the Highland Meadows West Community Development District with financial advisory services or offer investment advice in any form.

#### 1.0 Introduction

The Highland Meadows West Community Development District (the "District") is a local unit of special-purpose government organized and existing under Chapter 190, Florida Statutes as amended. The District may issue up to \$2,665,000 of tax exempt bonds (the "Assessment Area 2 Bonds") for the purpose of financing certain infrastructure improvements within Phase 2 ("Assessment Area 2 Project") within Assessment Area 2 of the District. The District may issue up to \$945,000 of tax exempt bonds (the "Assessment Area 3 Bonds") for the purpose of financing certain infrastructure improvements within Phase 3 ("Assessment Area 3 Project") within Assessment Area 3 of the District. Phase 2 and Phase 3 are more specifically described in the Engineer's Report revised and dated January 8, 2020 prepared by Wood & Associates Engineering, LLC, as may be amended and supplemented from time to time (the "Engineer's Report"). The District anticipates the construction of all or a portion of the Assessment Area 2 and Assessment Area 3 Capital Improvement Plan that benefit property owners within Series Assessment Area 3 and 3 of the District.

#### 1.1 Purpose

This Supplemental Assessment Methodology (the "Assessment Report") supplements the Master Assessment Methodology, dated July 24, 2018. The Assessment Report provides for an assessment methodology that allocates the debt to be incurred by the District to benefiting properties within Assessment Area 2 and 3 of the District. This Assessment Report allocates the debt to properties based on the special benefits each receives from the Capital Improvement Plan. This Assessment Report may be supplemented with one or more supplemental methodology reports to reflect the actual terms and conditions at the time of the issuance of each series of Bonds issued to finance all or a portion of the Capital Improvement Plan. This Assessment Report is designed to conform to the requirements of Chapters 190 and 170, Florida Statutes with respect to special assessments and is consistent with our understanding of case law on this subject.

The District intends to impose non ad valorem special assessments on the benefited lands within the District based on this Assessment Report. It is anticipated that all of the proposed special assessments will be collected through the Uniform Method of Collection described in Chapter 197.3632, Florida Statutes or any other legal means available to the District. It is not the intent of this Assessment Report to address any other assessments, if applicable, that may be levied by the District, a homeowner's association, or any other unit of government.

#### 1.2 Background

The District currently includes approximately 97.67 acres in Polk County, Florida. The development program for the Assessment Area 2 of the District currently envisions approximately 130 residential units and is approximately 29.2 acres. The development program for the Assessment Area 3 of the District currently envisions approximately 46 residential units and is approximately 9.76 acres. The proposed development program for Assessment Area 2 and Assessment Area 3 is depicted in Table 1. It is recognized that such land use plan may change, and this Assessment Report will be modified or supplemented accordingly.

The improvements contemplated by the District in the Assessment Area 2 Project and Assessment Area 3 Project will provide facilities that benefit certain property within the Assessment Area 2 and Assessment Area 3 of the District, respectively. Specifically, the District will construct and/or acquire certain offsite improvements, stormwater management facilities, utility facilities, roadways, entry features, amenity center, and park and amenity features. Note that the amenity center will be a shared cost between the District and the Davenport Road South CDD. The acquisition and construction costs are summarized in Table 2.

The assessment methodology is a four-step process.

- 1. The District Engineer must first determine the public infrastructure improvements that may be provided by the District and the costs to implement the Assessment Area 2 Project and Assessment Area 3 Project, respectively.
- 2. The District Engineer determines the assessable acres that benefit from the Assessment Area 2 Project and Assessment Area 3 Project, respectively.
- 3. A calculation is made to determine the funding amounts necessary to acquire and/or construct the Assessment Area 2 Project and Assessment Area 3 Project, respectively.
- 4. This amount is initially divided equally among the benefited properties on a prorated assessable acreage basis. Ultimately, as land is platted, this amount will be assigned to each of the benefited properties based on the number of platted units.

#### 1.3 Special Benefits and General Benefits

Improvements undertaken by the District create special and peculiar benefits to the property, different in kind and degree than general benefits, for properties within its borders as well as general benefits to the public at large.

However, as discussed within this Assessment Report, these general benefits are incidental in nature and are readily distinguishable from the special and peculiar benefits, which accrue to property within Assessment Area 2 and Assessment Area 3

of the District, respectively. The implementation of the Capital Improvement Plan enables properties within the boundaries of Assessment Area 2 and Assessment Area 3 of the District, respectively, to be developed. Without the Assessment Area 2 Project and the Assessment Area 3 Project, there would be no infrastructure to support development of land within Assessment Area 2 and Assessment Area 3 of the District. Without these improvements, development of the property within the District would be prohibited by law.

There is no doubt that the general public and property owners outside of the District will benefit from the provision of the Assessment Area 2 Project and the Assessment Area 3 Project. However, these benefits will be incidental for the purpose of the Assessment Area 2 Project and the Assessment Area 3 Project, which is designed solely to meet the needs of property within Assessment Area 2 and Assessment Area 3 of the District. Properties outside of Assessment Area 2 and Assessment Areas 3 of the District boundaries do not depend upon the District's Capital Improvement Plan. The property owners within Assessment Area 2 and Assessment Area 3 of the District are therefore receiving special benefits not received by those outside the District's boundaries.

#### 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 based on the special benefit such properties receive.

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 will be greater than the costs associated with providing these benefits. The District Engineer estimates that the District's Assessment Area 2 Project that is necessary to support full development of property within Assessment Area 2 of the District will cost approximately \$2,846,000. The District's Underwriter projects that financing costs required to fund the Assessment Area 2 Project costs, the cost of issuance of the Bonds, the funding of a debt service reserve account and capitalized interest, is \$2,665,0000. The District Engineer estimates that the District's Assessment Area 3 Project that is necessary to support full development of property within Assessment Area 3 of the District will cost approximately \$980,000. The District's Underwriter projects that financing costs required to fund the Assessment Area 3 Project costs, the cost of

issuance of the Bonds, the funding of a debt service reserve account and capitalized interest, is \$945,000. Developer would fund any additional funds needed to complete the Assessment Area 2 Project and the Assessment Area 3 Project, respectively. Without the Assessment Area 2 Project and the Assessment Area 3 Project, the property within Assessment Area 2 and Assessment Area 3 of District would not be able to be developed and occupied by future residents of the community.

#### 2.0 Assessment Methodology

#### 2.1 Overview

The District may issue up to \$2,665,000 in Bonds to fund a portion of the Assessment Area 2 Project, provide for capitalized interest, a debt service reserve account and pay cost of issuance. It is the purpose of this Assessment Report to allocate the \$2,665,000 in debt to the properties within Assessment Area 2 of the District benefiting from the Assessment Area 2 Project. This report will be supplemented to reflect actual bond terms.

The District may issue up to \$945,000 in Bonds to fund a portion of the Assessment Area 3 Project, provide for capitalized interest, a debt service reserve account and pay cost of issuance. It is the purpose of this Assessment Report to allocate the \$945,000 in debt to the properties within Assessment Area 3 of the District benefiting from the Assessment Area 3 Project. This report will be supplemented to reflect actual bond terms.

Table 1 identifies the land uses as identified by the Developers within the District. The District has commissioned an Engineer's Report that includes estimated construction costs for the Assessment Area 2 Project and the Assessment Area 3 Project Three needed to support the development, which these construction costs are outlined in Table 2. The improvements needed to support the development are described in detail in the Engineer's Report and are estimated to cost \$2,846,000 for the Assessment Area 2 Project. Based on the estimated costs, the size of the bond issue under current market conditions needed to generate funds to pay for the Capital Improvement Plan and related costs was determined by the District's Underwriter to total \$2,665,000 for the Assessment Area 2 Bonds. The improvements needed to support the development are described in detail in the Engineer's Report and are estimated to cost \$980,000 for the Assessment Area 3 Project. Based on the estimated costs, the size of the bond issue under current market conditions needed to generate funds to pay for the Capital Improvement Plan and related costs was determined by the District's Underwriter to total \$945,000 for the Assessment Area 3 Bonds. Table 3 shows the breakdown of the bond sizing.

#### 2.2 Allocation of Debt

Allocation of debt is a continuous process until the development plan for the District is completed. Until the platting process occurs, the Capital Improvement Plan funded by District bonds benefits all acres within the District.

The initial assessments will be levied on an equal basis to all gross acreage within Assessment Area 2 ("Assessment Area 2 Special Assessments") and Assessment Area 3 ("Assessment Area 3 Special Assessments") of the District. A fair and reasonable methodology allocates the debt incurred by the District proportionately to the properties receiving the special benefits. At this point all of the lands within Series Assessment Area 2 and Assessment Area 3, respectively, of the District are benefiting from the improvements.

Once platting or the recording of a declaration of condominium of any portion of Assessment Area 2 and/or Assessment Area 3 of the District into individual lots or units ("Assigned Properties") has begun, the assessments will be levied to the Assigned Properties based on the benefits they receive, on a first platted, first assigned basis, respectively to each assessment area. The "Unassigned Properties" defined as property that has not been platted or subjected to a declaration of condominium, will continue to be assessed on a per acre basis. Eventually the development plan will be completed and the debt relating to the bonds will be allocated to the platted units within Assessment Area 2 and Assessment Area 3 of the District respectively, which are the beneficiaries of the Capital Improvement Plan, as depicted in Table 5 and Table 6. If there are changes to development plan, a true up of the assessment will be calculated to determine if a debt reduction or true-up payment from the Developer is required. The process is outlined in Section 3.0.

The assignment of debt in this Assessment Report sets forth the process by which debt is apportioned. As mentioned herein, this Assessment Report will be supplemented from time to time.

#### 2.3 Allocation of Benefit

The Capital Improvement Plan consists of offsite improvements, stormwater management facilities, utility facilities, roadways, entry features, amenity center, and park and amenity features and professional fees along with related incidental costs. There is <u>one</u> product type within the planned development. The single family home has been set as the base unit and has been assigned one equivalent residential unit ("ERU"). Table 4 shows the allocation of benefit to the particular land uses. It is important to note that the benefit derived from the improvements on the particular units exceeds the cost that the units will be paying for such benefits.

#### 2.4 Lienability Test: Special and Peculiar Benefit to the Property

Construction and/or acquisition by the District of its proposed Assessment Area 2 Project and Assessment Area 3 Project, respectively, will provide several types of systems, facilities and services for its residents. These include offsite improvements, stormwater management facilities, utility facilities, roadways, entry features, and park and amenity features. These improvements accrue in differing amounts and are somewhat dependent on the type of land use receiving the special benefits peculiar to those properties, which flow from the logical relationship of the improvements to the properties.

Once these determinations are made, they are reviewed in the light of the special benefits peculiar to the property, which flow to the properties as a result of their logical connection from the improvements in fact actually provided.

For the provision of the Assessment Area 2 Project and the Assessment Area 3 Project, the special and peculiar benefits are:

- 1) the added use of the property,
- 2) added enjoyment of the property, and
- 3) the probability of increased marketability and value of the property.

These special and peculiar benefits are real and ascertainable, but are not yet capable of being calculated as to value with mathematical certainty. However, each is more valuable than either the cost of, or the actual non-ad valorem special assessment levied for the improvement or the debt as allocated.

### 2.5 Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay Non-Ad Valorem Assessments

A reasonable estimate of the proportion of special and peculiar benefits received from the public improvements described in the Engineer's Report is delineated in Table 5 (expressed as Allocation of Par Debt per Product Type). This is also shown on Table 7 depicting Allocation of Par Debt per Product Type.

The determination has been made that the duty to pay the non-ad valorem special assessments is fairly and reasonably apportioned because the special and peculiar benefits to the property derived from the acquisition and/or construction of Capital Improvement Plan have been apportioned to the property within the District according to reasonable estimates of the special and peculiar benefits provided consistent with the land use categories.

Accordingly, no acre or parcel of property within the boundaries of Assessment Area 2 and Assessment Area 3 of the District, respectively, will have a lien for the payment of any non-ad valorem special assessment more than the determined special benefit peculiar to that property and therefore, the debt allocation will not be increased more than the debt allocation set forth in this Assessment Report.

In accordance with the benefit allocation suggested for the product types in Table 4, a total debt per unit and an annual assessment per unit have been calculated for each product type (Table 6). These amounts represent the preliminary anticipated per unit debt allocation assuming all anticipated units are built and sold as planned, and the entire proposed Assessment Area 2 Project and Assessment Area 3 Project is constructed, respectively.

#### 3.0 True Up Mechanism

Although the District does not process plats, declaration of condominiums, site plans or revisions thereto for the developer, it does have an important role to play during the course of platting and site planning. Whenever a plat, declaration of condominium or site plan is processed, the District must allocate a portion of its debt to the property according to this Assessment Report outlined herein. In addition, the District must also prevent any buildup of debt on Unassigned Properties. Otherwise, the land could be fully conveyed and/or platted without all of the debt being allocated. To preclude this, when platting for 25%, 50%, 75% and 100% of the units planned for platting has occurred within each distinct assessment area, the District will determine the amount of anticipated assessment revenue that remains on the Unassigned Properties in each assessment area, taking into account the full development plan such assessment area. If the total anticipated assessment revenue to be generated from the Assigned and Unassigned Properties is greater than or equal to the maximum annual debt service then no debt reduction or true-up payment is required. In the case that the revenue generated is less then the required amount then a debt reduction or true-up payment by the landowner in the amount necessary to reduce the par amount of the outstanding bonds plus accrued interest to a level that will be supported by the new net annual debt service assessments will be required. Any needed true-ups in accordance with this section will be calculated by individual assessment area, and not District wide.

If a true-up payment is made less than 45 days prior to an interest payment date, the amount of accrued interest will be calculated to the next succeeding interest payment date.

#### 4.0 Assessment Roll

The District will initially distribute the liens across the property within Assessment Area 2 and Assessment Area 3 of the District, respectively, boundaries on a gross

acreage basis. As Assigned Properties becomes known with certainty, the District will refine its allocation of debt from a per acre basis to a per unit basis as shown in Table 6. If the land use plan changes, then the District will update Table 6 to reflect the changes as part of the foregoing true-up process. As a result, the assessment liens are neither fixed nor are they determinable with certainty on any acre of land in Assessment Area 2 or Assessment Area 3 of the District prior to the time final Assigned Properties become known. The current assessment roll is attached as Table 7.

TABLE 1
HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT
DEVELOPMENT PROGRAM
SUPPLEMENTAL ASSESSMENT METHODOLOGY - ASSESSMENT AREA 2 AND ASSESSMENT AREA 3

Land Use*	Phase 2 - Assessement Area 2	Phase 3 - Assessement Area 3	Total Assessible Units	ERUs per Unit (1)	Total ERUs	
Single Family	130	46	176	1.00	176	
Total Units			176		176	

<sup>(1)</sup> Benefit is allocated on an ERU basis; based on density of planned development, with Single Family = 1 ERU

 $<sup>^{*}</sup>$  Unit mix is subject to change based on marketing and other factors

~

TABLE 2
HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT PLAN COST ESTIMATES
SUPPLEMENTAL ASSESSMENT METHODOLOGY - ASSESSMENT AREA 2 AND ASSESSMENT AREA 3

Capital Improvement Plan ("CIP") (1)	Asses	ssment Area 2	As	sessment Area 3	Tota	al Cost Estimate
Offsite Improvements Stormwater Management Utilities (Water, Sewer, & Street Lighting) Roadway Entry Feature Amenity Center Parks and Amenities Contingencies	\$\$\$\$\$\$\$\$	118,000 560,000 970,000 490,000 210,000 201,790 58,210 238,000	\$\$\$\$\$\$\$\$\$\$	42,000 200,000 350,000 200,000 20,000 70,000 20,000 78,000	\$\$\$\$\$\$\$\$	160,000 760,000 1,320,000 690,000 230,000 271,790 78,210 316,000
	\$	2,846,000	\$	980,000	\$	3,826,000

(1) A detailed description of these improvements is provided in the Engineer's Report dated January 8, 2020.

TABLE 3
HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT
BOND SIZING
SUPPLEMENTAL ASSESSMENT METHODOLOGY - ASSESSMENT AREA 2 AND ASSESSMENT AREA 3

Description	Asses	ssment Area 2	Ass	essment Area 3	Total
Construction Funds	\$	2,227,606	\$	788,230	\$ 3,015,836
Debt Service Reserve	\$	157,625	\$	55,775	\$ 213,400
Capitalized Interest	\$	74,449	\$	26,361	\$ 100,810
Underwriters Discount	\$	53,300	\$	18,900	\$ 72,200
Cost of Issuance	\$	147,641	\$	52,202	\$ 199,843
Contingency	\$	4,379	\$	3,532	\$ 7,911
Par Amount*	\$	2,665,000	\$	945,000	\$ 3,610,000

#### **Bond Assumptions:**

Average Coupon	4.20%
Amortization	30 years
Capitalized Interest	8 months
Debt Service Reserve	Max Annual
Underwriters Discount	2%

<sup>\*</sup> Par amount is subject to change based on the actual terms at the sale of the bonds

TABLE 4

HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT

ALLOCATION OF IMPROVEMENT COSTS

SUPPLEMENTAL ASSESSMENT METHODOLOGY - ASSESSMENT AREA 2 AND ASSESSMENT AREA 3

Land Use	No. of Units *			% of Total ERUs	Improvements Per Product Type	Improvement Costs Per Unit		
Assessment Area 2	130	1	130	73.86%	\$ 2,846,000	Ś	21,892	
Assessment Area 3	essment Area 3 46 1	1	46	26.14%	\$ 980,000	\$	21,304	
Totals	176		176	100.00%	\$ 3,826,000			

<sup>\*</sup> Unit mix is subject to change based on marketing and other factors

TABLE 5

HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT
ALLOCATION OF TOTAL PAR DEBT TO EACH PRODUCT TYPE

SUPPLEMENTAL ASSESSMENT METHODOLOGY - ASSESSMENT AREA 2 AND ASSESSMENT AREA 3

			Improvements ts Per Product	ocation of Par ot Per Product		
Land Use	No. of Units *		Type	Туре	Par D	ebt Per Unit
Assessment Area 2	130	\$	2,846,000	\$ 2,665,000	Ś	20,500
Assessment Area 3	46			\$ \$ 945,000		20,543
Totals	176	\$	3,826,000	\$ 3,610,000		

<sup>\*</sup> Unit mix is subject to change based on marketing and other factors

TABLE 6

HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT PAR DEBT AND ANNUAL ASSESSMENTS FOR EACH PRODUCT TYPE

SUPPLEMENTAL ASSESSMENT METHODOLOGY - ASSESSMENT AREA 2 AND ASSESSMENT AREA 3

Land Use	No. of Units *	 ocation of Par ot Per Product Type	Total Par Debt Per Unit		Maximum nnual Debt Service	Net Annual Debt Assessment Per Unit		Gross Annual Debt Assessment Per Unit (1)	
Assessment Area 2	130	\$ 2,665,000	\$	20,500	\$ 157.625	\$	1,213	Ś	1.304
Assessment Area 3	46	\$ 945,000	\$	20,543	\$ 55,775	\$	1,213	\$	1,304
Totals	130	\$ 3,610,000			\$ 213,400				

<sup>(1)</sup> This amount includes collection fees and early payment discounts when collected on the Polk County Tax Bill

<sup>\*</sup> Unit mix is subject to change based on marketing and other factors

TABLE 7
HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT
PRELIMINARY ASSESSMENT ROLL
SUPPLEMENTAL ASSESSMENT METHODOLOGY - ASSESSMENT AREA 2 AND ASSESSMENT AREA 3

Owner	Property ID #'s	Acres	 tal Par Debt ocation Per Acre		tal Par Debt Allocated	As	Annual Debt ssessment Allocation	Debt	oss Annual Assessment ocation (1)
Assessment Area 2									
Orchid Terrace Development, LLC	27-27-08-727-5000-40120	10.03	\$ 91.330	Ś	916.037	Ś	54,180	\$	58,258
Orchid Terrace Development, LLC	27-27-08-727-5000-20170	4.68	\$ 91.330	Ś	427,423	\$	25,281	\$	27,183
Orchid Terrace Development, LLC	27-27-08-727-5000-20180	4.90	\$ 91,330	Ś	447.515	\$	26,469	\$	28,461
Orchid Terrace Development, LLC	27-27-08-727-5000-20310	9.57	\$ 91,330	\$	874,025	\$	51,695	\$	55,586
	_	29.18	\$ 2,665,000			\$	157,625	\$	169,489
Assessment Area 3	_								
Orchid Terrace Group, LLC	27-27-08-727-5000-20190	9.76	\$ 96,824	\$	945,000	\$	55,775	\$	59,973

(1) This amount includes 7% to cover collection fees and early payment discounts when collected utilizing the uniform method.

Annual Assessment Periods	30
Projected Bond Rate (%)	4.20%
Maximum Annual Debt Service - Assessment Area 2	\$ 157,625
Maximum Annual Debt Service - Assessment Area 3	\$ 55,775

## SECTION VII

#### **RESOLUTION 2020-04**

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT 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.

**WHEREAS**, the Highland Meadows West Community Development District (the "District") is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, being situated in the City of Haines City and unincorporated Polk County, Florida; and

WHEREAS, the District pursuant to the provisions of Chapter 190, Florida Statutes, is authorized to levy, collect, and enforce certain special assessments, which include benefit and maintenance assessments and further authorizes the District's Board of Supervisors (the "Board") to levy, collect, and enforce special assessments pursuant to Chapters 170, 190 and 197, Florida Statutes; and WHEREAS, On January 7, 2020, the Board of County Commissioners of Polk County Florida approved Ordinance , amending the external boundaries of the District to include an additional 9.76 acres of land (the "Expansion Parcel"); and WHEREAS, the District desires to use the Uniform Method for the levy, collection and enforcement of non-ad valorem special assessments authorized by Section 197.3632, Florida Statutes, (the "Uniform Method") levied on the Expansion Parcel. NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT: SECTION 1. A Public Hearing will be held to adopt the Uniform Method on \_at \_\_ p.m., at \_\_\_\_\_, \_\_\_\_, Florida \_\_\_\_\_. SECTION 2. The District Secretary is directed to publish notice of the hearing in accordance with Section 197.3632, Florida Statutes. This Resolution shall become effective immediately upon its adoption. SECTION 3. PASSED AND ADOPTED this 8th day of January, 2020. ATTEST: HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT

Secretary/Assistant Secretary

Chairperson, Board of Supervisors

## SECTION VIII

#### **RESOLUTION 2020-05**

A RESOLUTION OF THE BOARD OF SUPERVISORS OF HIGHLAND **MEADOWS** WEST **COMMUNITY DEVELOPMENT** DISTRICT AUTHORIZING THE ISSUANCE OF ITS HIGHLAND MEADOWS **DEVELOPMENT** WEST **COMMUNITY DISTRICT SPECIAL** ASSESSMENT BONDS, SERIES 2020A (ASSESSMENT AREA 2 PROJECT) (THE "ASSESSMENT AREA 2 BONDS") AND HIGHLAND WEST COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS, SERIES 2020A (ASSESSMENT AREA 3 PROJECT) (THE "ASSESSMENT AREA 3 BONDS" AND, TOGETHER WITH THE ASSESSMENT AREA 2 BONDS, THE "SERIES 2020A BONDS"): DETERMINING CERTAIN DETAILS OF THE SERIES 2020A BONDS AND ESTABLISHING CERTAIN PARAMETERS FOR THE SALE THEREOF; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND SUPPLEMENTAL TRUST INDENTURE AND A THIRD SUPPLEMENTAL TRUST INDENTURE: AUTHORIZING THE NEGOTIATED SALE OF THE 2020A BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT WITH RESPECT TO THE SERIES 2020A BONDS AND AWARDING THE SALE OF THE SERIES 2020A BONDS TO THE UNDERWRITER NAMED THEREIN; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY LIMITED OFFERING MEMORANDUM RELATING SERIES 2020A **BONDS** AND ITS USE UNDERWRITER IN CONNECTION WITH THE OFFERING FOR SALE OF THE SERIES 2020A BONDS; APPROVING THE EXECUTION AND DELIVERY OF A FINAL LIMITED OFFERING MEMORANDUM RELATING TO THE SERIES 2020A BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN CONTINUING DISCLOSURE AGREEMENTS; PROVIDING FOR THE APPLICATION OF SERIES 2020A BOND PROCEEDS; AUTHORIZING THE PROPER OFFICIALS TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE SERIES 2020A BONDS; MAKING CERTAIN DECLARATIONS; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE AND FOR OTHER PURPOSES.

WHEREAS, Highland Meadows West Community Development District (the "District") 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") and created by Ordinance No. 18-045 enacted by the Board of County Commissioners of Polk County, Florida (the "County") on July 10, 2018, as amended by Ordinance No. [\_\_\_\_\_] enacted by the Board of County Commissioners of the County on January 7, 2020, and approved and consented to by the City Commission of the City of Haines

City, Florida (the "City") by Resolution No. 18-1310 adopted on May 3, 2018, and by Resolution No. 19-1421 adopted on November 7, 2019; and

**WHEREAS**, pursuant to the Act and Resolution No. 2018-24 duly adopted by the Board of Supervisors of the District on July 24, 2018 (the "Bond Resolution"), the Board of Supervisors has approved the form of a Master Trust Indenture (the "Master Indenture"), between the District and U.S. Bank National Association, as trustee (the "Trustee"); and

WHEREAS, pursuant to the Act, the Bond Resolution and Resolution No. 2019-06 duly adopted by the Board on April 10, 2019, the Board did previously authorize the issuance of its \$6,385,000 Highland Meadows West Community Development District Special Assessment Bonds, Series 2019, which were issued under and pursuant to the Master Indenture as supplemented by that certain First Supplemental Trust Indenture, dated as of April 1, 2019, between the District and the Trustee, for the primary purpose of funding a portion of the costs of certain public infrastructure projects secured by 266 homesites and referred to as "Phase 1"; and

WHEREAS, on July 24, 2018, the District approved a Master Assessment Methodology Report, dated July 24, 2018 (the "Assessment Methodology Report"), as amended and supplemented by Supplemental Assessment Methodology for Highlands Meadows West Community Development District Assessment Area 2 and Assessment Area 3, dated January 8, 2020, prepared by the District's Methodology Consultant, Governmental Management Services – Central Florida, LLC, setting forth the District's methodology for allocating debt to property within the District; and

WHEREAS, in connection with Phase 1 and Phase 2 (as defined herein) the District previously adopted Resolution Nos. 2018-25, 2018-26, and 2018-30 to evidence the District's intent to defray the costs of certain improvements within the District through the levy and collection of assessments against property within the District benefitted by such improvements (the "Original Special Assessments"); and

**WHEREAS**, effective January 7, 2020, the boundaries of the District were amended pursuant to Ordinance No. [\_\_\_\_\_] of the Board of County Commissioners of the County for an additional approximately 9.76 acres ("Phase 3");

WHEREAS, in connection with Phase 3, the District duly adopted Resolution No. 2020-02 on January 8, 2020, declaring the levy and collection of special assessments (the "Phase 3 Special Assessments" and, together with the Original Special Assessments, the "Special Assessments") pursuant to the Act and Chapter 170, Florida Statues, indicating the location, nature and estimated cost of the improvements as described in the Engineer's Report for Capital Improvements dated July 2018, as amended and supplemented by the Second Supplemental Engineer's Report for Capital Improvements dated January 8, 2020, which cost is to be defrayed by the Special Assessments, providing the manner in which the Special Assessments will be made, designating the lands upon which the Special Assessments will be levied, authorizing the preparation of a preliminary assessment roll and fixing the time and place of a public hearing; and

**WHEREAS**, the District duly adopted Resolution No. 2020-03 on January 8, 2020, setting a public hearing to be held on February 12, 2020, for the purpose of hearing public comment on imposing the Phase 3 Special Assessments; and

WHEREAS, the District has determined it to be in the best interest of the landowners of the District, for the District to undertake Phases 2 and 3 of the residential development and to provide public infrastructure for a total of 176 homesites, comprised of 130 homesites on approximately 29.2 acres of land within the District's boundaries ("Phase 2" and also referred to herein as the "Assessment Area 2 Project") and Phase 3 planned for 46 homesites thereon (the "Assessment Area 3 Project" and, together with Phase 2, the "Series 2020A Project"), and the District has determined to issue its (i) Highland Meadows West Community Development District Special Assessment Bonds, Series 2020A (Assessment Area 2 Project) (the "Assessment Area 2 Bonds") and (ii) Highland Meadows West Community Development District Special Assessment Bonds, Series 2020A (Assessment Area 3 Project) (the "Assessment Area 3 Bonds" and, together with the Assessment Area 2 Bonds, the "Series 2020A Bonds") for the primary purpose of providing funds to pay all or a portion of the costs of the planning, financing, acquisition, construction, equipping and installation of the Series 2020A Project, as summarized in Schedule I, attached hereto; and

**WHEREAS**, the Series 2020A Bonds constitute Bonds validated and confirmed by a final judgment of the Circuit Court of the Tenth Judicial Circuit Court in and for Polk County, Florida, rendered on the 15<sup>th</sup> day of October, 2018; and

**WHEREAS**, the Series 2020A Bonds will be secured by the Special Assessments levied and imposed on assessable and benefitted land within Assessment Area 2 and Assessment Area 3 in the District in accordance with the Assessment Methodology Report; and

**WHEREAS**, there has been submitted to this meeting with respect to the issuance and sale of the Series 2020A Bonds and submitted to the Board:

- (i) a form of Second Supplemental Trust Indenture between the District and the Trustee relating to the Assessment Area 2 Bonds attached hereto as Exhibit A (the "Second Supplemental Indenture" and together with the Master Indenture, the "Indenture"); and
- (ii) a form of Third Supplemental Trust Indenture between the Trustee and the District relating to the Assessment Area 3 Bonds attached hereto as Exhibit B (the "Third Supplemental Indenture" and, together with the Master Indenture and the Second Supplemental Indenture, the "Indenture"); and
- (iii) a form of Bond Purchase Contract with respect to the Series 2020A Bonds between FMSbonds, Inc. (the "Underwriter") and the District attached hereto as Exhibit C (the "Bond Purchase Contract"), together with the form of a disclosure statement attached to the Bond Purchase Contract in accordance with Section 218.385, Florida Statutes; and

- (iv) a form of Preliminary Limited Offering Memorandum relating to the Series 2020A Bonds attached hereto as Exhibit D (the "Preliminary Limited Offering Memorandum"); and
- (v) a form of Rule 15c2-12 Certificate of the District relating to the Preliminary Limited Offering Memorandum, attached hereto as Exhibit E (the "Rule 15c2-12 Certificate"); and
- (v) a form of the Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") to be entered into among the District, the dissemination agent named therein (the "Dissemination Agent"), and any landowner constituting an "Obligated Person" under the terms of the Continuing Disclosure Agreement, attached hereto as Exhibit F;

**WHEREAS**, any capitalized term used herein and not otherwise expressly defined herein shall have the meaning ascribed thereto in the Indenture; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of Highland Meadows West Community Development District, as follows:

#### **Section 1.** Authorization of Issuance of Series 2020A Bonds.

Assessment Area 2 Bonds. There are hereby authorized and directed to be issued: the Highland Meadows West Community Development District Special Assessment Bonds, Series 2020A (Assessment Area 2 Project) (the "Assessment Area 2 Bonds") in an aggregate principal amount not to exceed \$2,800,000, for the purposes of (i) providing funds to pay all or a portion of the costs of the planning, financing, acquisition, construction, equipping and installation of the Assessment Area 2 Project, (ii) making a deposit to the Assessment Area 2 Reserve Account in an amount equal to the Assessment Area 2 Reserve Requirement, (iii) funding a portion of the interest coming due on the Assessment Area 2 Bonds, and (iv) paying certain costs of issuance in respect of the Assessment Area 2 Bonds. The Assessment Area 2 Bonds shall be issued under and secured by the Second Supplemental Indenture, the form of which by reference is hereby incorporated into this resolution as if set forth in full herein.

Assessment Area 3 Bonds. There are hereby authorized and directed to be issued: the Highland Meadows West Community Development District Special Assessment Bonds, Series 2020A (Assessment Area 3 Project) (the "Assessment Area 3 Bonds" and, together with the Assessment Area 2 Bonds, the "Series 2020A Bonds") in an aggregate principal amount not to exceed \$1,000,000 for the purposes of (i) providing funds to pay all or a portion of the costs of the planning, financing, acquisition, construction, equipping and installation of the Assessment Area 3 Project, (ii) making a deposit to the Assessment Area 3 Reserve Account in an amount equal to the Assessment Area 3 Reserve Requirement, (iii) funding a portion of the interest coming due on the Assessment Area 3 Bonds, and (iv) paying certain costs of issuance in respect of the Assessment Area 3 Bonds. The Assessment Area 3 Bonds shall be issued under and secured by the Third Supplemental Indenture, the form of which by reference is hereby incorporated into this resolution as if set forth in full herein.

- Section 2. <u>Details of the Series 2020A Bonds</u>. The District hereby determines that the Series 2020A Bonds shall mature in the amounts and at the times, shall bear interest at the rates, be redeemable at the redemption prices and in the manner as determined by the Chairperson of the Board of Supervisors of the District (the "Chairperson") or any member of the Board of Supervisors designated by the Chairperson (a "Designated Member"), prior to the sale of said Series 2020A Bonds, all in a manner consistent with the requirements of the Bond Resolution and within the parameters set forth in Section 5 hereof.
- Section 3. <u>Supplemental Indentures</u>. The District hereby approves the form of and authorizes the execution of the Second Supplemental Indenture and the Third Supplemental Indenture by the Chairperson or any Designated Member and the Secretary or any Assistant Secretary of the Board of Supervisors (the "Secretary") and the delivery of the Second Supplemental Indenture and the Third Supplemental Indenture in substantially the forms thereof attached hereto as Exhibit A and Exhibit B, respectively, with such changes therein as shall be approved by the Chairperson 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 forms of Second Supplemental Indenture and the Third Supplemental Indenture attached hereto, as the case may be.
- **Section 4.** <u>Negotiated Sale</u>. The Series 2020A 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 2020A Bonds to the Underwriter will best effectuate the purposes of the Act, is in the best interests of the District and is necessitated by, in general, the characteristics of the issues and prevailing market conditions and specifically, the following additional reasons:
- (i) because of the complexity of the financing structure of the Series 2020A Bonds, including the pledge of Special Assessments as security for the Series 2020A Bonds, it is desirable to sell the Series 2020A 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 2020A Bonds, it is in the best interests of the District to sell the Series 2020A Bonds by a negotiated sale;
- (iii) the Underwriter has participated in structuring the issuance of the Series 2020A Bonds and can assist the District in attempting to obtain the most attractive financing for the District;
- (iv) the Series 2020A Bonds do not bear a credit rating and will be offered initially only to accredited investors within the meaning of Chapter 517, <u>Florida Statutes</u>, and the rules of the Florida Department of Financial Services promulgated thereunder; and
- (v) the District will not be adversely affected if the Series 2020A Bonds are not sold pursuant to a competitive sale.
- **Section 5. Bond Purchase Contract**. The District hereby approves the form of the Bond Purchase Contract submitted by the Underwriter and attached hereto as Exhibit C, and the sale of the Series 2020A Bonds by the District upon the terms and conditions set forth in the

Bond Purchase Contract is hereby approved. The Chairperson or a Designated Member are each hereby authorized, acting individually, to execute the Bond Purchase Contract and to deliver the Bond Purchase Contract to the Underwriter. The Bond Purchase Contract shall be in substantially the form of the Bond Purchase Contract attached hereto as Exhibit C with such changes, amendments, modifications, omissions and additions as may be approved by the Chairperson or the Designated Member; provided, however,

#### (a) With respect to the Assessment Area 2 Bonds:

- i. The Assessment Area 2 Bonds shall be subject to optional redemption not later than November 1, 2031, at a redemption price equal to their par value, plus accrued interest to the redemption date;
- ii. The interest rate on the Assessment Area 2 Bonds shall not exceed an average net interest cost rate, which shall be 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 bonds are sold, as provided in Section 215.84(3), Florida Statutes, as amended;
- iii. The initial aggregate principal amount of the Assessment Area 2 Bonds shall not exceed \$2,800,000;
- iv. The Assessment Area 2 Bonds shall have a final maturity not later than the maximum term allowed by Florida law, which is currently thirty years of principal amortization; and
- v. The price at which the Assessment Area 2 Bonds shall be sold to the Underwriter shall not be less than 98.00% of the aggregate face amount of the Assessment Area 2 Bonds, exclusive of original issue discount.

#### (b) With respect to the Assessment Area 3 Bonds:

- i. The Assessment Area 3 Bonds shall be subject to optional redemption not later than November 1, 2031, at a redemption price equal to their par value, plus accrued interest to the redemption date;
- ii. The interest rate on the Assessment Area 3 Bonds shall not exceed an average net interest cost rate, which shall be 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 bonds are sold, as provided in Section 215.84(3), Florida Statutes, as amended:
- iii. The initial aggregate principal amount of the Assessment Area 3 Bonds shall not exceed \$1,000,000;

- iv. The Assessment Area 3 Bonds shall have a final maturity not later than the maximum term allowed by Florida law, which is currently thirty years of principal amortization; and
- v. The price at which the Assessment Area 3 Bonds shall be sold to the Underwriter shall not be less than 98.00% of the aggregate face amount of the Assessment Area 3 Bonds, exclusive of original issue discount.

Execution by the Chairperson or a Designated Member of the Bond Purchase Contract shall be deemed to be conclusive evidence of approval of such changes.

Preliminary Limited Offering Memorandum; Final Limited Offering Section 6. Memorandum. The District hereby approves the form of the Preliminary Limited Offering Memorandum submitted to this meeting and attached hereto as Exhibit D and authorizes its distribution and use in connection with the limited offering for sale of the Series 2020A Bonds. The preparation of a final Limited Offering Memorandum relating to the Series 2020A Bonds (the "Limited Offering Memorandum") is hereby approved and the Chairperson 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 2020A 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 2020A Bonds. The Limited Offering Memorandum shall be substantially in the form of the Preliminary Limited Offering Memorandum attached hereto as Exhibit D, with such changes as shall be approved by the Chairperson or Designated Member as necessary to conform the details of the Series 2020A Bonds and such other insertions, modifications and changes as may be approved by the Chairperson or Designated Member. The execution and delivery of the Limited Offering Memorandum by the Chairperson or Designated Member 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 2020A Bonds. The Chairperson or a Designated Member is further authorized to deem the Preliminary Limited Offering Memorandum "final" within the meaning of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, in the form as mailed, and in furtherance thereof to execute the Rule 15c2-12 Certificate evidencing the same substantially in the forms attached hereto as Exhibit E.

Section 7. <u>Continuing Disclosure</u>. The District hereby authorizes and approves the execution and delivery of one or more Continuing Disclosure Agreements by and among the District, the Dissemination Agent and each landowner constituting an "Obligated Person" under the terms of such Continuing Disclosure Agreement, by the Chairperson or a Designated Member substantially in the form presented to this meeting and attached hereto as Exhibit F, with such changes therein as shall be approved by the Chairperson 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 Continuing Disclosure Agreement attached hereto. Each such Continuing Disclosure Agreement is being executed by the District to assist the Underwriter in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission.

**Section 8.** Application of Bond Proceeds. The proceeds of the Assessment Area 2 Bonds, and other available moneys of the District, if any, shall be applied in the manner required in the Second Supplemental Indenture. The proceeds of the Assessment Area 3 Bonds, and other available moneys of the District, if any, shall be applied in the manner required in the Third Supplemental Indenture.

Section 9. Further Official Action; Ratification of Prior and Subsequent Acts. The Chairperson, 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 2020A Bonds, any documents required in connection with implementation of a book-entry system of registration, and investment agreements relating to the investment of the proceeds of the Series 2020A Bonds and any agreements in connection with maintaining the exclusion of interest on the Series 2020A Bonds from gross income of the holders thereof) and to do and cause to be done any and all acts and things necessary or desirable for carrying out the transactions contemplated by this Resolution. In the event that the Chairperson or the Secretary is unable to execute and deliver the documents herein contemplated, such documents shall be executed and delivered by the respective designee of such officer or official or any other duly authorized officer or official of the District. The Secretary or any 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 Chairperson or any Designated Member may, among other things, change the date of any document accompanying this Resolution as an exhibit. Execution by the Chairperson or a Designated Member of such document shall be deemed to be conclusive evidence of approval of such change of date. 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 10.** <u>Severability</u>. 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 11.** <u>Inconsistent Proceedings</u>. 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 12.** Ratification of Prior Acts. All actions previously taken by or on behalf of the District in connection with the issuance of the Series 2020A Bonds are hereby authorized, ratified and confirmed.
- Section 13. <u>Public Meetings</u>. It is hereby found and determined that all formal actions of the District concerning and relating to the adoption of this Resolution and the consummation of the transactions contemplated by this Resolution were adopted in open

meetings of the District, and that all deliberations of the District that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

**Section 14.** <u>Effective Date</u>. This Resolution shall take effect immediately upon its adoption.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK – SIGNATURE PAGE FOLLOWS]

PASSED in Public Session of the Board of Supervisors of Highland Meadows West Community Development District, this  $8^{th}$  day of January, 2020.

### HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT

Attest:	
Secretary, Board of Supervisors	Chairperson, Board of Supervisors

### **SCHEDULE I**

#### **DESCRIPTION OF SERIES 2020A PROJECT**

Improvements constituting Phase 1 were financed by the \$6,385,000 Highland Meadows West Community Development District Special Assessment Bonds, Series 2019, previously issued by the District. The Series 2020A Project includes, but is not limited to, Phases 2 and 3 of the following improvements, comprising Assessment Area 2 and Assessment Area 3:

<u>Infrastructure</u> <sup>(1)(9)</sup>	<u>Phase 1</u> (266 Lots) 2019-2020	Phase 2 (130 Lots) 2020-2021	<u>Phase 3</u> (46 Lots) 2020-2021	Total (442 Lots)
Offsite Improvements <sup>(5)(6)</sup>	\$ 270,000	\$ 118,000	\$ 42,000	\$ 430,000
Stormwater Management <sup>(2)(3)(5)(6)</sup>	1,149,000	560,000	200,000	1,909,000
Utilities (Water, Sewer, & Street Lighting) (5)(6)(8)	1,975,000	970,000	350,000	3,295,000
Roadway <sup>(4)(5)(6)</sup>	995,000	490,000	200,000	1,685,000
Entry Feature & Signage (6)(7)	440,000	210,000	20,000	670,000
Amenity Center <sup>(1)(6)</sup>	412,894	201,790	70,000	684,684
Parks and Recreation Facilities <sup>(1)(6)</sup>	127,106	58,210	20,000	205,316
Contingency	540,000	238,000	78,000	856,000
TOTAL	\$5,909,000	\$2,846,000	\$980,000	\$9,735,000

#### Notes:

- 1. Infrastructure consists of public roadway improvements, stormwater management facilities, master sanitary sewer lift station and utilities, entry feature, landscaping and signage, and neighborhood parks.
- 2. Excludes grading of each lot for initial pad construction, lot finishing and in conjunction with home construction, which will be provided by home builder.
- 3. Includes stormwater pond excavation. Costs do not include transportation to or placement of fill on private property.
- 4. Includes sub-grade, base, asphalt paving, curbing, and civil/site engineering of public roads.
- 5. Includes subdivision infrastructure and civil/site engineering.
- 6. Estimates are based on 2019 cost.
- 7. Includes entry features, signage, hardscape, landscape, irrigation and fencing.
- 8. CDD will enter into a Lighting Agreement with Duke Energy for the street light poles and lighting service. Only undergrounding of wires in public right-of-way and on District land is included.
- 9. Estimates based on Master Infrastructure to support development of 442 lots.

Source: Highland Meadows West Community Development District Engineer's Report for Capital Improvements dated as of July, 2018, as amended and supplemented by the Second Supplemental Engineer's Report for Capital Improvements dated January 8, 2020, each prepared by Wood & Associates Engineering, LLC.

### EXHIBIT A

### FORM OF SECOND SUPPLEMENTAL INDENTURE

SECOND SUPPLEMENTAL TRUST INDENTURE
between
HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT (HAINES CITY, FLORIDA)
and
U.S. BANK NATIONAL ASSOCIATION
as Trustee
Dated as of [1, 2020]
Authorizing and Securing  \$[] HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT

SPECIAL ASSESSMENT BONDS, SERIES 2020A (ASSESSMENT AREA 2 PROJECT)

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THIS SECOND SUPPLEMENTAL TRUST INDENTURE (the "Second Supplemental Trust Indenture"), dated as of [\_\_\_\_\_\_\_1, 2020] between the HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT (together with its successors and assigns, the "Issuer" and 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 and having a designated corporate trust office in Orlando, Florida, as trustee (said national banking association and any bank or trust company becoming successor trustee under this Second Supplemental Trust Indenture 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") created pursuant to Ordinance No. 18-045 enacted by the Board of County Commissioners of Polk County, Florida (the "County") on July 10, 2018 (the "Original Ordinance"), and approved and consented to by the City Commission of the City of Haines City, Florida (the "City") and by Resolution No. 18-1310 adopted on May 3, 2018, for the purposes of delivering community development services and facilities to property to be served by the District (as defined below); and

WHEREAS, the premises governed by the Issuer (as further described in Exhibit A to the Master Indenture (as defined herein)) originally consisted of approximately 97.67 acres of land (the "Existing District Lands") located entirely within the City; and

**WHEREAS**, effective January 7, 2020 the boundaries of the District were amended pursuant to Ordinance No. [\_\_] – [\_\_\_] of the Board of County Commissioners of the County to include an additional approximately 9.76 gross acres of land, the location of which is described in more detail in the Supplemental Engineer's Report (as defined herein) (the "Expansion Parcel" and, together with the Existing District Lands, herein the "District Lands") and approved and consented to by the City Commission of the City by Resolution No. 19-1421 adopted on November 7, 2019; 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 three phases, the acquisition and/or construction of public infrastructure improvements and community facilities for the special benefit of the District Lands (the "Project"), as described in the Engineer's Report for Capital Improvements dated July 2018, as amended and supplemented by the Second Supplemental Engineer's Report for Capital Improvements dated January 8, 2020 (the "Supplemental Engineer's Report") and summarized in Exhibit B to the Master Indenture (as defined herein); and

**WHEREAS**, the Issuer has previously adopted Resolution No. 2018-24 on July 24, 2018 (the "Original Authorizing Resolution"), authorizing the issuance of not to exceed \$12,000,000

in aggregate principal amount of its Special Assessment Bonds (the "Bonds") to finance all or a portion of the planning, design, acquisition and construction costs of the Project pursuant to the Act for the special benefit of the District Lands or portions thereof and approving the form of and authorizing the execution and delivery of the Master Indenture; and

WHEREAS, pursuant to that certain Master Trust Indenture dated as of April 1, 2019 (the "Master Indenture"), as supplemented by a First Supplemental Trust Indenture dated as of April 1, 2019 (the "First Supplemental Indenture") each between the Issuer and the Trustee, the Issuer previously issued its \$6,385,000 Highland Meadows West Community Development District (Haines City, Florida) Special Assessment Bonds, Series 2019, for the primary purpose of funding a portion of the costs of certain public improvements; and

WHEREAS, Highland Sumner, LLC, a Florida limited liability company ("Highland Sumner") owns a portion of the Existing District Lands which is expected to comprise 130 homesites ("Assessment Area 2") and Orchid Terrace Group, LLC, a Florida limited liability company ("Orchid") owns the Expansion Parcel which is expected to comprise an additional 46 homesites ("Assessment Area 3"); and

WHEREAS, the Issuer has determined to simultaneously issue two additional Series of Bonds, designated as the (i) Highland Meadows West Community Development District Special Assessment Bonds, Series 2020A (Assessment Area 2 Project) (the "Assessment Area 2 Bonds") to provide funds for the Assessment Area 2 Landowner to construct or cause the Issuer to construct all of the public infrastructure necessary to serve Assessment Area 2 (the "Assessment Area 2 Project") (such public infrastructure as described in Exhibit A attached hereto), and (ii) Highland Meadows West Community Development District Special Assessment Bonds, Series 2020A (Assessment Area 3 Project) (the "Assessment Area 3 Bonds"); and

WHEREAS, the Assessment Area 2 Bonds are being issued pursuant to the Master Indenture and this Second Supplemental Trust Indenture (hereinafter sometimes collectively referred to as the "Assessment Area 2 Indenture"), and the proceeds thereof will primarily be used to provide funds for a portion of the costs of acquiring and/or constructing the Assessment Area 2 Project; and

WHEREAS, the Assessment Area 3 Bonds are being issued pursuant to the Master Indenture and that certain Third Supplemental Trust Indenture (hereinafter sometimes collectively referred to as the "Assessment Area 3 Indenture") and the proceeds thereof will primarily be used to provide funds for a portion of the costs of acquiring and/or constructing the public infrastructure necessary to serve Assessment Area 3 (the "Assessment Area 3 Project"); and

WHEREAS, in the manner provided herein, the proceeds of the Assessment Area 2 Bonds will be used for the purposes of (i) providing funds to pay all or a portion of the costs of the planning, financing, acquisition, construction, equipping and installation of the Assessment Area 2 Project, (ii) funding a deposit to the Assessment Area 2 Reserve Account in the amount of the Assessment Area 2 Reserve Requirement, (iii) paying a portion of the interest coming due on the Assessment Area 2 Bonds, and (iv) paying the costs of issuance of the Assessment Area 2 Bonds; and

**WHEREAS**, the Assessment Area 2 Bonds will be secured by a pledge of Assessment Area 2 Pledged Revenues (as hereinafter defined) to the extent provided herein; and

**WHEREAS**, the Assessment Area 3 Bonds will be separately secured by a pledge of special assessments levied on assessable property within Assessment Area 3 specially benefitted by the Assessment Area 3 Project in the manner and to the extent provided in the Assessment Area 3 Indenture.

NOW, THEREFORE, THIS SECOND SUPPLEMENTAL TRUST INDENTURE WITNESSETH, that to provide for the issuance of the Assessment Area 2 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 Assessment Area 2 Bonds, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Assessment Area 2 Bonds by the Owners thereof, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer does hereby assign, transfer, set over and pledge to U.S. Bank National Association, as Trustee, its successors in trust and its assigns forever, and grants a lien on all of the right, title and interest of the Issuer in and to the Assessment Area 2 Pledged Revenues as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Assessment Area 2 Bonds issued hereunder, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

**TO HAVE AND TO HOLD** the same and, to the extent the same may be lawfully granted, 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 Assessment Area 2 Indenture with respect to the Assessment Area 2 Bonds.

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future Owners of the Assessment Area 2 Bonds issued and to be issued under this Second Supplemental Trust Indenture, without preference, priority or distinction as to lien or otherwise (except as otherwise specifically provided in this Second Supplemental Trust Indenture) of any one Assessment Area 2 Bond over any other Assessment Area 2 Bond, all as provided in the Assessment Area 2 Indenture.

**PROVIDED, HOWEVER**, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal or redemption price of the Assessment Area 2 Bonds issued, secured and Outstanding hereunder and the interest due or to become due thereon, at the times and in the manner mentioned in such Assessment Area 2 Bonds and the Assessment Area 2 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 Assessment Area 2 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 Trust Indenture and the rights hereby granted shall

cease and terminate, otherwise this Second Supplemental Trust Indenture to be and remain in full force and effect.

### ARTICLE I DEFINITIONS

In this Second Supplemental Trust Indenture capitalized terms used without definition shall have the meanings ascribed thereto in the Master Indenture and, in addition to certain terms defined in the recitals above, the following terms shall have the meanings specified below, unless otherwise expressly provided or unless the context otherwise requires:

"Acquisition Agreement" shall mean that certain Agreement by and between the District and the Assessment Area 2 Landowner regarding the acquisition of certain real property dated [\_\_\_\_\_\_\_\_, 2020].

"Arbitrage Certificate" shall mean that certain Arbitrage Certificate, including arbitrage rebate covenants, of the Issuer, dated [\_\_\_\_\_\_\_\_, 2020], relating to certain restrictions on arbitrage under the Code with respect to the Assessment Area 2 Bonds.

"Assessment Area 2" shall mean the approximately 29.2 acres of land within the District currently planned for 130 single-family residences constituting Phase 2 of the residential community thereon ("Phase 2") and the recreation areas, parks and related infrastructure.

"Assessment Area 2 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 Trust Indenture.

"Assessment Area 2 Bond Redemption Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(g) of this Second Supplemental Trust Indenture.

"Assessment Area 2 Bonds" shall mean the \$[\_\_\_\_] aggregate principal amount of Highland Meadows West Community Development District Special Assessment Bonds, Series 2020A (Assessment Area 2 Project), to be issued as fully registered Bonds in accordance with the provisions of the Master Indenture and this Second Supplemental Trust Indenture, and secured and authorized by the Master Indenture and this Second Supplemental Trust Indenture.

"Assessment Area 2 Costs of Issuance Account" shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this Second Supplemental Trust Indenture.

"Assessment Area 2 General Redemption Subaccount" shall mean the subaccount so designated, established as a separate subaccount under the Assessment Area 2 Bond Redemption Account pursuant to Section 4.01(g) of this Second Supplemental Trust Indenture.

"Assessment Area 2 Indenture" shall mean collectively, the Master Indenture and this Second Supplemental Trust Indenture.

"Assessment Area 2 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 Trust Indenture.

"Assessment Area 2 Landowner" shall mean Highland Sumner LLC, and its successors and assigns.

"Assessment Area 2 Optional Redemption Subaccount" shall mean the subaccount so designated, established as a separate subaccount under the Assessment Area 2 Bond Redemption Account pursuant to Section 4.01(g) of this Second Supplemental Trust Indenture.

"Assessment Area 2 Pledged Revenues" shall mean with respect to the Assessment Area 2 Bonds (a) all revenues received by the Issuer from Assessment Area 2 Special Assessments levied and collected on the assessable lands within Assessment Area 2, benefitted by the Assessment Area 2 Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Assessment Area 2 Special Assessments or from the issuance and sale of tax certificates with respect to such Assessment Area 2 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Assessment Area 2 Indenture created and established with respect to or for the benefit of the Assessment Area 2 Bonds; provided, however, that Assessment Area 2 Pledged Revenues shall not include (A) any moneys transferred to the Assessment Area 2 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Assessment Area 2 Costs of Issuance Account of the Acquisition and Construction Fund, and (C) "special assessments" levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or "maintenance assessments" levied and collected by the Issuer under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Assessment Area 2 Indenture shall not apply to any of the moneys described in the foregoing clauses (A), (B) and (C) of this proviso).

"Assessment Area 2 Prepayment Principal" shall mean the portion of a Prepayment corresponding to the principal amount of Assessment Area 2 Special Assessments being prepaid pursuant to Section 4.05 of this Second Supplemental Trust Indenture or as a result of an acceleration of the Assessment Area 2 Special Assessments pursuant to Section 170.10, <u>Florida Statutes</u>, if such Assessment Area 2 Special Assessments are being collected through a direct billing method.

"Assessment Area 2 Prepayment Subaccount" shall mean the subaccount so designated, established as a separate subaccount under the Assessment Area 2 Bond Redemption Account pursuant to Section 4.01(g) of this Second Supplemental Trust Indenture.

"Assessment Area 2 Project" shall mean the public infrastructure described in Exhibit A attached hereto benefitting Assessment Area 2 and comprising Phase 2 of the residential community thereon.

"Assessment Area 2 Rebate Account" shall mean the Account so designated, established as a separate Account within the Rebate Fund pursuant to Section 4.01(j) of this Second Supplemental Trust Indenture.

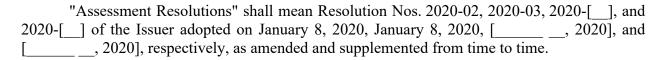
"Assessment Area 2 Reserve Account" shall mean the Account so designated, established as a separate Account within the Reserve Fund pursuant to Section 4.01(f) of this Second Supplemental Trust Indenture.

"Assessment Area 2 Reserve Requirement" or "Reserve Requirement" shall (i) initially be an amount equal to the maximum annual debt service on the Assessment Area 2 Bonds as calculated from time to time; and (ii) upon the occurrence of the Conditions for Reduction of Reserve Requirement, fifty percent (50%) of the maximum annual debt service on the Assessment Area 2 Bonds as calculated from time to time. Upon satisfaction of the Conditions for Reduction of Reserve Requirement, such excess amount shall be released from the Assessment Area 2 Reserve Account and transferred to the Assessment Area 2 Acquisition and Construction Account in accordance with the provisions of Sections 4.01(a) and 4.01(f) hereof. For the purpose of calculating the Assessment Area 2 Reserve Requirement, maximum annual debt service shall be calculated as of the date of the original issuance and delivery and recalculated in connection with each extraordinary mandatory redemption of the Assessment Area 2 Bonds as described in Section 3.01(b)(i) hereof (but not upon the optional or mandatory sinking fund redemption thereof) and such excess amount shall be released from the Assessment Area 2 Reserve Account and, other than as provided in the immediately preceding sentence, transferred to the Assessment Area 2 Prepayment Subaccount in accordance with the provisions of Section 3.01(b)(i), 4.01(f) and 4.05(a) hereof. Amounts on deposit in the Assessment Area 2 Reserve Account may, upon final maturity or redemption of all Outstanding Assessment Area 2 Bonds be used to pay principal of and interest on the Assessment Area 2 Bonds at that time. Initially, the Assessment Area 2 Reserve Requirement shall be equal to \$[ ].

"Assessment Area 2 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 Trust Indenture.

"Assessment Area 2 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 Trust Indenture.

"Assessment Area 2 Special Assessments" shall mean a portion of the Special Assessments levied on the assessable lands within Assessment Area 2 as a result of the Issuer's acquisition and/or construction of the Assessment Area 2 Project, corresponding in amount to the debt service on the Assessment Area 2 Bonds and designated as such in the methodology report relating thereto.



"Authorized Denomination" shall mean, with respect to the Assessment Area 2 Bonds, on the date of issuance in the denominations of \$5,000 and any integral multiple thereof; provided, however, if any initial beneficial owner does not purchase at least \$100,000 of the Assessment Area 2 Bonds at the time of initial delivery of the Assessment Area 2 Bonds, such beneficial owner must either execute and deliver to the Issuer and the Underwriter on the date of delivery

of the Assessment Area 2 Bonds the investor letter in the form attached hereto as Exhibit D or otherwise establish to the satisfaction of the Underwriter that such Beneficial Owner is an "accredited investor," as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended.

"Collateral Assignment" shall mean the certain rights granted on instruments executed by the Assessment Area 2 Landowner in favor of the Issuer whereby all of the material documents necessary to complete the development planned by the Assessment Area 2 Landowner is collaterally assigned as security for the Assessment Area 2 Landowner's obligation to pay the Assessment Area 2 Special Assessments imposed against lands within Assessment Area 2 owned by the Assessment Area 2 Landowner from time to time.

"Completion Agreement" shall mean the Agreement between the District and the Assessment Area 2 Landowner regarding the completion of certain improvements dated [\_\_\_\_\_, 2020].

"Conditions for Reduction of Reserve Requirement" shall mean collectively (i) the sale of all lots in Assessment Area 2 to homebuilders unrelated to the Assessment Area 2 Landowner or an affiliated entity shall have been closed, as certified by the District Manager, and (ii) there shall be no Events of Default under the Assessment Area 2 Indenture with respect to the Assessment Area 2 Bonds, as certified by the District Manager. The District shall present the Trustee with the certifications of the District Manager regarding the satisfaction of the Conditions for Reduction of Reserve Requirement; and the Trustee may rely conclusively upon such certifications and shall have no duty to verify the same.

"Declaration of Consent" shall mean that certain instrument executed by the Assessment Area 2 Landowner declaring consent to the jurisdiction of the District and the imposition of the Assessment Area 2 Special Assessments.

"Defeasance Securities" shall mean, with respect to the Assessment Area 2 Bonds, to the extent permitted by law, (a) cash deposits, and (b) direct obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of Treasury) which are non-callable and non-prepayable.

"District Lands" shall mean the Existing District Lands and the Expansion Parcel.

"District Manager" shall mean Governmental Management Services – Central Florida, LLC, and its successors and assigns.

"Existing District Lands" shall mean the current 97.67 gross acres of land located within the City comprising the District.

"Expansion Parcel" shall mean the 9.76 gross acres of land adjacent to the Existing District Lands and expected to be annexed into the District boundaries.

"Highland Sumner" shall mean Highland Sumner LLC, a Florida limited liability company, and its successors and assigns.

"Interest Payment Date" shall mean May 1 and November 1 of each year, commencing 1, 2020].

"Investment Obligations" shall mean and include any of the following securities with respect to the investment of moneys under this Second Supplemental Trust Indenture:

- (i) Government Obligations;
- (ii) obligations of any of the following agencies: Government National Mortgage Association (including participation certificates issued by such association); Fannie Mae (including participation certificates issued by such entity); Federal Home Loan Banks; Federal Farm Credit Banks; Tennessee Valley Authority; Farmers Home Administration; Student Loan Marketing Association; Federal Home Loan Mortgage Corporation;
- (iii) money market deposit accounts, time deposits, and certificates of deposit issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are rated, at the time of purchase, in one of the two highest rating categories, without regard to gradation, by Moody's and S&P;
- (iv) commercial paper rated in the top two rating categories by both Moody's and S&P at the time of purchase;
- (v) municipal securities issued by any state or commonwealth of the United States or political subdivision thereof or constituted authority thereof including, but not limited to, municipal corporations, school districts and other special districts and rated A- or higher by Moody's, Fitch or S&P at the time of purchase;
- (vi) both (A) shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940) or a regulated investment company (as defined in Section 851(a) of the Code) that is a money market fund that is rated in the highest rating category for money market funds by both Moody's and S&P, including those shares offered or sponsored by the Trustee, and (B) shares of money market mutual funds, including those funds offered or sponsored by the Trustee, that invest only in Government Obligations and obligations of any of the following agencies: Government National Mortgage Association (including participation certificates issued by such association); Fannie Mae (including participation certificates issued by such entity); Federal Home Loan Banks; Federal Farm Credit Banks; Tennessee Valley Authority; Farmers Home Administration; Student Loan Marketing Association; Federal Home Loan Mortgage Corporation and repurchase agreements secured by such obligations, which funds are rated in the two highest categories for such funds by both Moody's and S&P;

- repurchase agreements, which will be collateralized at the onset of the repurchase agreement of at least 103% marked to market weekly by a third party acting solely as agent for the Issuer 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 (10) calendar 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 immediately notify the Trustee and the Issuer and must at the direction by 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) calendar days of the date such conditions apply, then the repurchase agreement shall provide that the Trustee shall be entitled to, and in such event, the Trustee shall withdraw the entire amount invested plus accrued interest within ten (10) Business Days after the Trustee knows such conditions apply. Any repurchase agreement entered into pursuant to this Second Supplemental Trust Indenture shall contain the following additional provisions:
  - 1) Failure to maintain the requisite collateral percentage will require the District or the Trustee to liquidate the collateral as provided above;
  - 2) 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);
  - 3) The repurchase agreement shall state and an opinion of Counsel addressed to the Issuer and the Trustee 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);
  - 4) 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;
  - 5) 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;

- 6) The Issuer or its designee shall represent that it has no knowledge of any fraud involved in the repurchase transaction;
- 7) 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:
  - 8) The term of the repurchase agreement shall be no longer than ten years;
- 9) The interest with respect to the repurchase transaction shall be payable at the times and in the amounts necessary in order to make funds available when required under this Second Supplemental Trust Indenture;
- 10) 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 Second Supplemental Trust Indenture;
- 11) 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
- 12) 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 of the Holders and the Trustee. The custodial agreement shall provide that the Trustee must have 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;

(viii) 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 two highest short-term rating categories by Moody's or S&P (if the term of such agreement does not exceed 365 days), or has an unsecured, uninsured and unguaranteed obligation (or claims paying ability) rated by Aa2 or better by Moody's and AA or better by S&P or Fitch, respectively (if the term of such agreement is more than 365 days) or is the lead bank of

a parent bank holding company with an uninsured, unsecured and unguaranteed obligation of the aforesaid ratings, provided:

- 1) interest is paid on any date interest is due on the Assessment Area 2 Bonds (not more frequently than quarterly) at a fixed rate (subject to adjustments for yield restrictions required by the Code) during the entire term of the agreement;
- 2) moneys invested thereunder may be withdrawn without penalty, premium, or charge upon not more than two (2) Business Days' notice unless otherwise specified in a Supplemental Indenture;
- 3) the same guaranteed interest rate will be paid on any future deposits made to restore the account to its required amount;
- 4) 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;
- 5) in the event of a suspension, withdrawal, or downgrade below Aa3, AA-or AA- by Moody's, S&P or Fitch, respectively, the provider shall notify the Issuer and the Trustee within five (5) Business Days of such downgrade event and the provider shall at its option, within ten (10) Business Days after notice is given to the Issuer and the Trustee take any one 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 market 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 market 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 market to market approach; or
  - D) repay all amounts due and owing under the agreement; and
- 6) in the event the provider has not satisfied any one of the above conditions within three (3) Business 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.
- (ix) 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, at the time of purchase, rated A- or better by at least two (2) of the following rating agencies: Moody's, S&P or Fitch or AA- or better by either S&P, Moody's or Fitch;

- (x) the Local Government Surplus Funds Trust Fund as described in <u>Florida Statutes</u>, Section 218.405 or the corresponding provisions of subsequent laws provided that such fund, at the time of purchase, is rated at least "AA" by S&P (without regard to gradation) or at least "Aa" by Moody's (without regard to gradation); and
  - (xi) other investments permitted by Florida law and directed by the Issuer.

A certificate of an Authorized Officer directing any investment enumerated above shall constitute a representation by the Issuer that such investment is permitted under this Second Supplemental Trust Indenture and is a legal investment for funds of the District, upon which the Trustee is conclusively entitled to rely.

"Majority Holders" means the Beneficial Owners of more than fifty percent (50%) in aggregate principal amount of the Outstanding Assessment Area 2 Bonds.

"Master Indenture" shall mean the Master Trust Indenture, dated as of April 1, 2019, by and between the Issuer and the Trustee, as supplemented and amended with respect to matters pertaining solely to the Master Indenture or the Assessment Area 2 Bonds (as opposed to supplements or amendments relating to any Series of Bonds other than the Assessment Area 2 Bonds as specifically defined in this Second Supplemental Trust Indenture).

"Paying Agent" shall mean U.S. Bank National Association, and its successors and assigns as Paying Agent hereunder.

"Prepayment" shall mean the payment by any owner of property of the amount of Assessment Area 2 Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments. The term "Prepayment" also means any proceeds received as a result of accelerating and/or foreclosing the Assessment Area 2 Special Assessments. "Prepayments" shall include, without limitation, Assessment Area 2 Prepayment Principal.

"Project" shall mean all of the public infrastructure deemed necessary for the development of the District including, but not limited to, the Assessment Area 2 Project.

"Quarterly Redemption Date" shall mean each February 1, May 1, August 1, and November 1 of any calendar year.

"Redemption Price" shall mean the principal amount of any Assessment Area 2 Bond plus the applicable premium, if any payable upon redemption thereof pursuant to this Second Supplemental Trust Indenture.

"Registrar" shall mean U.S. Bank National Association and its successors and assigns as Registrar hereunder.

"Regular Record Date" shall mean the fifteenth day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date or the date on which the principal of an Assessment Area 2 Bond is to be paid. "Resolution" shall mean, collectively, (i) Resolution No. 2018-24 of the Issuer adopted on July 24, 2018, pursuant to which the Issuer authorized the issuance of not exceeding \$12,000,000 aggregate principal amount of its Bonds to finance the construction or acquisition of the Project, and (ii) Resolution No. 2020-05 of the Issuer adopted on January 8, 2020 (the "Delegation Resolution"), pursuant to which the Issuer authorized, among other things, the issuance of the Assessment Area 2 Bonds to pay all or a portion of the costs of the planning, financing, acquisition, construction, equipping and installation of the Assessment Area 2 Project, specifying the details of the Assessment Area 2 Bonds and awarding the Assessment Area 2 Bonds to the purchasers of the Assessment Area 2 Bonds.

"Substantially Absorbed" means the date at least 90% of the principal portion of the Assessment Area 2 Special Assessments have been assigned to residential units within the District that have received certificates of occupancy. The District shall present the Trustee with a certification that the Assessment Area 2 Special Assessments are Substantially Absorbed and the Trustee may rely conclusively upon such certification and shall have no duty to verify if the Assessment Area 2 Special Assessments are Substantially Absorbed.

"Underwriter" shall mean FMSbonds, Inc., the underwriter of the Assessment Area 2 Bonds.

The words "hereof," "herein," "hereto," "hereby," and "hereunder" (except in the form of Assessment Area 2 Bonds), refer to the entire Assessment Area 2 Indenture.

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

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

[END OF ARTICLE I]

# ARTICLE II THE ASSESSMENT AREA 2 BONDS

SECTION 2.01. <u>Amounts and Terms of Assessment Area 2 Bonds; Issue of Assessment Area 2 Bonds</u>. No Assessment Area 2 Bonds may be issued under this Second Supplemental Trust 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 Assessment Area 2 Bonds that may be issued under this Second Supplemental Trust Indenture is expressly limited to \$[\_\_\_\_]. The Assessment Area 2 Bonds shall be numbered consecutively from R-1 and upwards.
- (b) Any and all Assessment Area 2 Bonds shall be issued substantially in the form attached hereto as Exhibit B, with such appropriate variations, omissions and insertions as are permitted or required by the Assessment Area 2 Indenture and with such additional changes as may be necessary or appropriate to conform to the provisions of the Resolution. The Issuer shall issue the Assessment Area 2 Bonds upon execution of this Second Supplemental Trust Indenture and satisfaction of the requirements of Section 3.01 of the Master Indenture; and the Trustee shall, at the Issuer's request, authenticate such Assessment Area 2 Bonds and deliver them as specified in the request.

**SECTION 2.02.** <u>Execution</u>. The Assessment Area 2 Bonds shall be executed by the Issuer as set forth in the Master Indenture.

**SECTION 2.03.** <u>Authentication</u>. The Assessment Area 2 Bonds shall be authenticated as set forth in the Master Indenture. No Assessment Area 2 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 Assessment Area 2 Bonds.

- (a) The Assessment Area 2 Bonds are being issued hereunder in order to provide funds for the purposes of (i) paying all or a portion of the costs of the planning, financing, acquisition, construction, equipping and installation of the Assessment Area 2 Project, (ii) funding a deposit to the Assessment Area 2 Reserve Account in the amount of the Assessment Area 2 Reserve Requirement, (iii) paying a portion of the interest coming due on the Assessment Area 2 Bonds and (iv) paying the costs of issuance of the Assessment Area 2 Bonds. The Assessment Area 2 Bonds shall be designated "Highland Meadows West Community Development District Special Assessment Bonds, Series 2020A (Assessment Area 2 Project)," and shall be issued as fully registered Bonds without coupons in Authorized Denominations.
- (b) The Assessment Area 2 Bonds shall be dated as of the date of initial delivery. Interest on the Assessment Area 2 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the Assessment Area 2 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

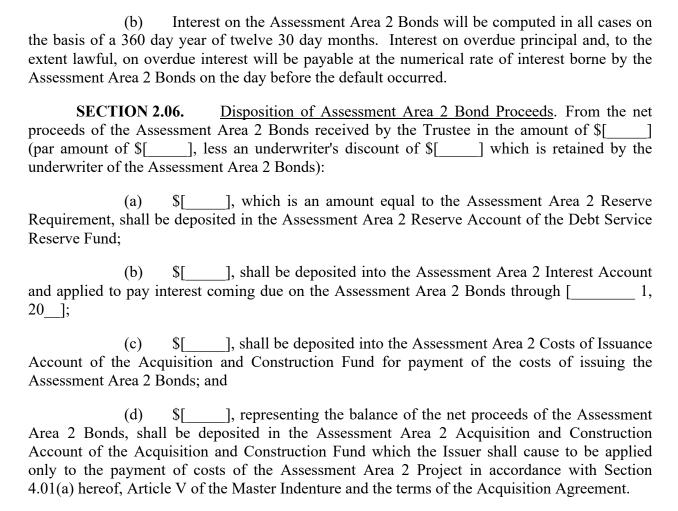
of authentication thereof is prior to [\_\_\_\_\_\_ 1, 20\_\_], in which case from the date of initial delivery or unless the date of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date.

Except as otherwise provided in Section 2.07 of this Second Supplemental Trust Indenture in connection with a book entry only system of registration of the Assessment Area 2 Bonds, the principal or Redemption Price of the Assessment Area 2 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 Assessment Area 2 Bonds. Except as otherwise provided in Section 2.07 of this Second Supplemental Trust Indenture in connection with a book entry only system of registration of the Assessment Area 2 Bonds, the payment of interest on the Assessment Area 2 Bonds shall be made on each Interest Payment Date to the Owners of the Assessment Area 2 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 Assessment Area 2 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 Assessment Area 2 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 Assessment Area 2 Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Record Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Record Date.

### **SECTION 2.05.** Debt Service on the Assessment Area 2 Bonds.

(a) The Assessment Area 2 Bonds will mature on November 1 in the years and in the principal amounts, and bear interest at the rates all set forth below, subject to the right of prior redemption in accordance with their terms.

Year	Amount	<b>Interest Rate</b>
	\$	0/0



**SECTION 2.07.** <u>Book-Entry Form of Assessment Area 2 Bonds</u>. The Assessment Area 2 Bonds shall be issued as one fully registered bond for each maturity of Assessment Area 2 Bonds and deposited with The Depository Trust Company ("DTC"), New York, New York, which is responsible for establishing and maintaining records of ownership for its participants.

As long as the Assessment Area 2 Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes hereof and in the Master Indenture. The Assessment Area 2 Bonds shall not be required to be presented for payment. DTC shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"). The DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Assessment Area 2 Bonds ("Beneficial Owners").

Principal and interest on the Assessment Area 2 Bonds registered in the name of Cede & Co. prior to and at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to

Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Trustee or the Issuer.

Individuals may purchase beneficial interests in Authorized Denominations in bookentry-only form, without certificated Assessment Area 2 Bonds, through DTC Participants and Indirect Participants.

During the period for which Cede & Co. is registered owner of the Assessment Area 2 Bonds, any notices to be provided to any Beneficial Owner will be provided to Cede & Co. DTC shall be responsible for notices to DTC Participants and DTC Participants shall be responsible for notices to Indirect Participants, and DTC Participants and Indirect Participants shall be responsible for notices to Beneficial Owners.

The Issuer and the Trustee, if appropriate, shall enter into a blanket letter of representations with DTC providing for such book-entry-only system. Such agreement may be terminated at any time by either DTC or the Issuer in accordance with the procedures of DTC. In the event of such termination, the Issuer shall select another securities depository and in that event, all references herein to DTC or Cede & Co., shall be deemed to be for reference to such successor. If the Issuer does not replace DTC, the Trustee will register and deliver to the Beneficial Owners replacement Assessment Area 2 Bonds in the form of fully registered Assessment Area 2 Bonds in accordance with the instructions from Cede & Co.

In the event DTC, any successor of DTC or the Issuer, but only in accordance with the procedures of DTC, elects to discontinue the book-entry only system, the Trustee shall deliver bond certificates in accordance with the instructions from DTC or its successor and after such time Assessment Area 2 Bonds may be exchanged for an equal aggregate principal amount of Assessment Area 2 Bonds in other Authorized Denominations upon surrender thereof at the designated corporate trust office of the Trustee.

**SECTION 2.08.** Appointment of Registrar and Paying Agent. The Issuer shall keep, at the designated corporate trust office of the Registrar, books (the "Bond Register") for the registration, transfer and exchange of the Assessment Area 2 Bonds, and hereby appoints U.S. Bank National Association, as its Registrar to keep such books and make such registrations, transfers, and exchanges as required hereby. U.S. Bank National Association hereby accepts its appointment as Registrar and its duties and responsibilities as Registrar hereunder. Registrations, transfers and exchanges shall be without charge to the Bondholder requesting such registration, transfer or exchange, but such Bondholder shall pay any taxes or other governmental charges on all registrations, transfers and exchanges.

The Issuer hereby appoints U.S. Bank National Association as Paying Agent for the Assessment Area 2 Bonds. U.S. Bank National Association hereby accepts its appointment as Paying Agent and its duties and responsibilities as Paying Agent hereunder.

SECTION 2.09. Conditions Precedent to Issuance of the Assessment Area 2 Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Assessment Area 2 Bonds, all the Assessment Area 2 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 Trust Indenture;
  - (c) Opinions of Counsel required by the Master Indenture;
- (d) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Assessment Area 2 Bonds, the Issuer will not be in default in the performance of the terms and provisions of the Master Indenture or this Second Supplemental Trust Indenture;
- (e) Copies of executed investor letters in the form attached hereto as Exhibit D if such investor letter is required, as determined by the Underwriter; and
- (f) Executed copies of the Arbitrage Certificate, the True-Up Agreement, the Acquisition Agreement, Declaration of Consent, the Completion Agreement, the Continuing Disclosure Agreement and the Collateral Assignment.

Payment to the Trustee of the net proceeds of the Assessment Area 2 Bonds shall be conclusive evidence that the foregoing conditions have been satisfied as to the Issuer and the Underwriter.

[END OF ARTICLE II]

## ARTICLE III REDEMPTION OF ASSESSMENT AREA 2 BONDS

SECTION 3.01. Redemption Dates and Prices. The Assessment Area 2 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 Assessment Area 2 Bonds shall be made on the dates hereinafter required. Except as otherwise provided in this Section 3.01, if less than all the Assessment Area 2 Bonds of a maturity are to be redeemed pursuant to an extraordinary mandatory redemption, the Trustee shall select the Assessment Area 2 Bonds or portions of the Assessment Area 2 Bonds to be redeemed by lot. Partial redemptions of Assessment Area 2 Bonds shall, to the extent possible, be made in such a manner that the remaining Assessment Area 2 Bonds held by each Bondholder shall be in Authorized Denominations, except for the last remaining Assessment Area 2 Bond.

The Assessment Area 2 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 Assessment Area 2 Bonds shall be made on the dates specified below. Upon any redemption of Assessment Area 2 Bonds other than in accordance with scheduled mandatory sinking fund redemptions, the Issuer shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Assessment Area 2 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Assessment Area 2 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Assessment Area 2 Bonds in any year. In the event of a redemption or purchase occurring less than 45 days prior to a date on which a mandatory sinking fund redemption payment is due, the foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

- [November 1, 20\_] may, at the option of the Issuer be called for redemption prior to maturity as a whole or in part, at any time, on or after [November 1, 20\_] (less than all Assessment Area 2 Bonds of a maturity to be selected by lot), at a Redemption Price equal to the principal amount of Assessment Area 2 Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date through which interest has been paid to the redemption date from moneys on deposit in the Assessment Area 2 Optional Redemption Subaccount of the Assessment Area 2 Bond Redemption Account. If such optional redemption shall be in part, the Issuer shall select such principal amount of Assessment Area 2 Bonds to be optionally redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 2 Bonds is substantially level.
- (b) <u>Extraordinary Mandatory Redemption in Whole or in Part</u>. The Assessment Area 2 Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole or in part, on any date (other than in the case of clause (i) below, which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a

Redemption Price equal to 100% of the principal amount of the Assessment Area 2 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

- (i) from Assessment Area 2 Prepayment Principal deposited into the Assessment Area 2 Prepayment Subaccount of the Assessment Area 2 Bond Redemption Account following the payment in whole or in part of Assessment Area 2 Special Assessments on any assessable property within the District in accordance with the provisions of Section 4.05(a) of this Second Supplemental Trust Indenture, together with any excess moneys transferred by the Trustee from the Assessment Area 2 Reserve Account to the Assessment Area 2 Prepayment Subaccount as a result of such Assessment Area 2 Prepayment and pursuant to Sections 4.01(f) and 4.05(a) of this Second Supplemental Trust Indenture. If such redemption shall be in part, the Issuer shall select such principal amount of Assessment Area 2 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 2 Bonds is substantially level;
- (ii) from moneys, if any, on deposit in the Assessment Area 2 Funds, Accounts and Subaccounts in the Funds and Accounts (other than the Assessment Area 2 Rebate Fund and the Assessment Area 2 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Assessment Area 2 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture; and
- (iii) upon the Completion Date, from any funds remaining on deposit in the Assessment Area 2 Acquisition and Construction Account in accordance with the provisions of Section 4.01(a) hereof, not otherwise reserved to complete the Assessment Area 2 Project and transferred to the Assessment Area 2 General Redemption Subaccount of the Assessment Area 2 Bond Redemption Account. If such redemption shall be in part, the Issuer shall select such principal amount of Assessment Area 2 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 2 Bonds is substantially level.
- (c) <u>Mandatory Sinking Fund Redemption</u>. The Assessment Area 2 Bonds maturing on [November 1, 20\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 2 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

	Year	Mandatory Sinking Fund Redemption Amount		
		\$		
* Maturity.	*			

The Assessment Area 2 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 2 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

	Year	Mandatory Sinking Fund Redemption Amount	
		\$	
	*		
* Maturity	_		

The Assessment Area 2 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 2 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

	Year	Mandatory Sinking Fund Redemption Amount
		\$
* Maturity	*	

The Assessment Area 2 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 2 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

### Year Mandatory Sinking Fund Redemption Amount

\$

\*

SECTION 3.02. <u>Notice of Redemption</u>. When required to redeem Assessment Area 2 Bonds under any provision of this Second Supplemental Trust Indenture or directed to redeem Assessment Area 2 Bonds by the Issuer, the Trustee shall give or cause to be given to Owners of the Assessment Area 2 Bonds to be redeemed, notice of the redemption, as set forth in Article VIII of the Master Indenture.

[END OF ARTICLE III]

<sup>\*</sup> Maturity

# ARTICLE IV ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS; ADDITIONAL COVENANTS OF THE ISSUER; PREPAYMENTS; REMOVAL OF ASSESSMENT AREA 2 SPECIAL ASSESSMENT LIENS

#### **SECTION 4.01.** Establishment of Certain Funds and Accounts.

The Trustee shall establish a separate account within the Acquisition and (a) Construction Fund designated as the "Assessment Area 2 Acquisition and Construction Account." Proceeds of the Assessment Area 2 Bonds shall be deposited into the Assessment Area 2 Acquisition and Construction Account in the amount set forth in Section 2.06 of this Second Supplemental Trust Indenture, together with any moneys transferred thereto, including moneys transferred from the Assessment Area 2 Reserve Account after satisfaction of the Conditions for Reduction of Reserve Requirement, and such moneys shall be applied as set forth in this Section 4.01(a) of this Second Supplemental Trust Indenture, Section 5.01 of the Master Indenture, and the Acquisition Agreement. Funds on deposit in the Assessment Area 2 Acquisition and Construction Account shall only be requested by the Issuer to be applied to the Costs of the Assessment Area 2 Project. Upon satisfaction of the Conditions for Reduction of Reserve Requirement, the amount on deposit in the Assessment Area 2 Reserve Account in excess of the Assessment Area 2 Reserve Requirement shall then be transferred to the Assessment Area 2 Acquisition and Construction Account and applied as provided in this Section 4.01(a).

After the Completion Date for the Assessment Area 2 Project, any moneys remaining in the Assessment Area 2 Acquisition and Construction Account after retaining costs to complete the Assessment Area 2 Project, shall be transferred to the Assessment Area 2 General Redemption Subaccount, as directed in writing by the Issuer or the District Manager, on behalf of the Issuer to the Trustee. Except as provided in Section 5.06 hereof, only upon presentment to the Trustee of a properly signed requisition in substantially the form attached hereto as Exhibit C, shall the Trustee withdraw moneys from the Assessment Area 2 Acquisition and Construction Account. After no funds remain therein, the Assessment Area 2 Acquisition and Construction Account shall be closed. Notwithstanding the foregoing, the Assessment Area 2 Acquisition and Construction Account shall not be closed until after the Conditions for Reduction of Reserve Requirement shall have occurred and the excess funds from the Assessment Area 2 Reserve Account shall have been transferred to the Assessment Area 2 Acquisition and Construction Account and applied in accordance with this Section 4.01(a) and Section 4.01(f) hereof. The Trustee shall not be responsible for determining the amounts in the Assessment Area 2 Acquisition and Construction Account allocable to the respective components of the Assessment Area 2 Project.

Pursuant to the Master Indenture, the Trustee shall establish a separate account within the Acquisition and Construction Fund designated as the "Assessment Area 2 Costs of Issuance Account." Proceeds of the Assessment Area 2 Bonds shall be deposited into the Assessment Area 2 Costs of Issuance Account in the amount set forth in Section 2.06 of this Second Supplemental Trust Indenture. Upon presentment to the Trustee of a properly signed requisition in substantially the form attached hereto as Exhibit C, the Trustee shall withdraw moneys from the Assessment Area 2 Costs of Issuance Account to pay the costs of issuing the

Assessment Area 2 Bonds. Six months after the issuance of the Assessment Area 2 Bonds, any moneys remaining in the Assessment Area 2 Costs of Issuance Account in excess of the amounts requested to be disbursed by the Issuer shall be deposited into the Assessment Area 2 Interest Account and the Assessment Area 2 Costs of Issuance Account shall be closed. Any deficiency in the amount allocated to pay the cost of issuing the Assessment Area 2 Bonds shall be paid from excess Assessment Area 2 Pledged Revenues on deposit in the Assessment Area 2 Revenue Account, as provided in Section 4.02 FIFTH. After no funds remain therein, the Assessment Area 2 Costs of Issuance Account shall be closed.

(b) Pursuant to Section 6.03 of the Master Indenture, the Trustee shall establish a separate Account within the Revenue Fund designated as the "Assessment Area 2 Revenue Account." Assessment Area 2 Special Assessments (except for Prepayments of Assessment Area 2 Special Assessments which shall be identified as such by the Issuer to the Trustee and deposited in the Assessment Area 2 Prepayment Subaccount) shall be deposited by the Trustee into the Assessment Area 2 Revenue Account which shall be applied as set forth in Section 6.03 of the Master Indenture and Section 4.02 of this Second Supplemental Trust Indenture. The Trustee may conclusively rely that unless expressly indicated in writing by the District as a Prepayment upon deposit thereof with the Trustee, payments of Assessment Area 2 Special Assessments are to be deposited into the Assessment Area 2 Revenue Account.

### (c) [RESERVED].

- (d) Pursuant to Section 6.04 of the Master Indenture and Section 4.02 of this Second Supplemental Trust Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Assessment Area 2 Interest Account." Moneys deposited into the Assessment Area 2 Interest Account pursuant to Section 6.04 of the Master Indenture and Sections 2.06 and 4.02 of this Second Supplemental Trust Indenture, shall be applied for the purposes provided therein and used to pay interest on the Assessment Area 2 Bonds.
- (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 "Assessment Area 2 Sinking Fund Account." Moneys shall be deposited into the Assessment Area 2 Sinking Fund Account as provided in Section 6.04 of the Master Indenture and Section 4.02 of this Second Supplemental Trust Indenture, and applied for the purposes provided therein and in Section 3.01(c) of this Second Supplemental Trust Indenture.
- (f) Pursuant to Section 6.05 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Reserve Fund designated as the "Assessment Area 2 Reserve Account." Proceeds of the Assessment Area 2 Bonds shall be deposited into the Assessment Area 2 Reserve Account in the amount set forth in Section 2.06 of this Second Supplemental Trust Indenture, and such moneys, together with any other moneys deposited into the Assessment Area 2 Reserve Account shall be applied for the purposes provided in the Master Indenture and in this Section 4.01(f) and Section 4.05 of this Second Supplemental Trust Indenture. Notwithstanding any provisions in the Master Indenture to the contrary, the Issuer covenants not to substitute the cash and Investment Obligations on deposit in the Assessment Area 2 Reserve Account with a Debt Service Reserve Insurance Policy or a Debt

Service Reserve Letter of Credit. Except as provided in the next paragraph, all investment earnings on moneys in the Assessment Area 2 Reserve Account shall remain on deposit therein.

On each March 15 and September 15 (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the Assessment Area 2 Reserve Account and transfer any excess therein above the Reserve Requirement for the Assessment Area 2 Bonds caused by investment earnings to the Assessment Area 2 Revenue Account in accordance with Section 4.02 hereof.

In the event of a prepayment of Assessment Area 2 Special Assessments in accordance with Section 4.05(a) of this Second Supplemental Trust Indenture, 45 days before the next Quarterly Redemption Date, the Trustee shall recalculate the Assessment Area 2 Reserve Requirement taking into account the amount of Assessment Area 2 Bonds that will be outstanding as result of such prepayment of Assessment Area 2 Special Assessments, and cause the amount on deposit in the Assessment Area 2 Reserve Account in excess of the Assessment Area 2 Reserve Requirement, resulting from Assessment Area 2 Prepayment Principal, to be transferred to the Assessment Area 2 Prepayment Subaccount to be applied toward the extraordinary redemption of Assessment Area 2 Bonds in accordance with Section 3.01(b)(i), as a credit against the Assessment Area 2 Prepayment Principal otherwise required to be made by the owner of such property subject to Assessment Area 2 Special Assessments. Upon satisfaction of the Conditions for Reduction of Reserve Requirement, the amount on deposit in the Assessment Area 2 Reserve Account in excess of the Assessment Area 2 Reserve Requirement shall then be transferred to the Assessment Area 2 Acquisition and Construction Account and applied as provided in Section 4.01(a) hereof.

Notwithstanding any of the foregoing, amounts on deposit in the Assessment Area 2 Reserve Account shall be transferred by the Trustee, in the amounts directed in writing by the Majority Holders of the Assessment Area 2 Bonds to the Assessment Area 2 General Redemption Subaccount, if as a result of the application of Article X of the Master Indenture, the proceeds received from lands sold subject to the Assessment Area 2 Special Assessments and applied to redeem a portion of the Assessment Area 2 Bonds is less than the principal amount of Assessment Area 2 Bonds indebtedness attributable to such lands.

- (g) Pursuant to Section 6.06 of the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Account within the Bond Redemption Fund designated as the "Assessment Area 2 Bond Redemption Account" and within such Account, a "Assessment Area 2 General Redemption Subaccount," a "Assessment Area 2 Optional Redemption Subaccount," and a "Assessment Area 2 Prepayment Subaccount." Except as otherwise provided in this Second Supplemental Trust Indenture regarding Prepayments or in connection with the optional redemption of the Assessment Area 2 Bonds, moneys to be deposited into the Assessment Area 2 Bond Redemption Account as provided in Section 6.06 of the Master Indenture, shall be deposited to the Assessment Area 2 General Redemption Subaccount.
- (h) Moneys that are deposited into the Assessment Area 2 General Redemption Subaccount (including all earnings on investments held therein) shall be used to call for the extraordinary mandatory redemption (i) in whole, pursuant to Section 3.01(b)(ii) hereof,

the Outstanding amount of Assessment Area 2 Bonds, or (ii) in whole or in part pursuant to Section 3.01(b)(iii) hereof, the redeemed amount of Assessment Area 2 Bonds equal to the amount of money transferred from the Assessment Area 2 Acquisition and Construction Account pursuant to Section 3.01(b)(iii) and Section 4.01(a) hereof.

- Moneys in the Assessment Area 2 Prepayment Subaccount (including all earnings on investments held in such Assessment Area 2 Prepayment Subaccount) shall be accumulated therein to be used to call for redemption pursuant to Section 3.01(b)(i) hereof an amount of Assessment Area 2 Bonds equal to the amount of money transferred to the Assessment Area 2 Prepayment Subaccount of the Assessment Area 2 Bond Redemption Account for the purpose of such extraordinary mandatory redemption on the dates and at the price provided in such Section 3.01(b)(i) hereof. In addition, and together with the moneys transferred from the Assessment Area 2 Reserve Account pursuant to paragraph (f) above, if the amount on deposit in the Assessment Area 2 Prepayment Subaccount is not sufficient to redeem a principal amount of the Assessment Area 2 Bonds in an Authorized Denomination, the Trustee upon written direction from the Issuer, shall be authorized to withdraw amounts from the Assessment Area 2 Revenue Account to deposit to the Assessment Area 2 Prepayment Subaccount to round-up the amount to the nearest Authorized Denomination. Notwithstanding the foregoing, no transfers from the Assessment Area 2 Revenue Account shall be directed by the Issuer to pay interest on and/or principal for the Assessment Area 2 Bonds for the redemption pursuant to Section 3.01(b)(i) if as a result the deposits required under Section 4.02 FIRST through FIFTH cannot be made in full.
- (j) The Issuer hereby directs the Trustee to establish a separate account in the Rebate Fund designated as the "Assessment Area 2 Rebate Account." Moneys shall be deposited into the Assessment Area 2 Rebate Account, as provided in the Arbitrage Certificate and applied for the purposes provided therein.
- (k) Moneys on deposit in the Assessment Area 2 Optional Redemption Subaccount shall be used to optionally redeem all or a portion of the Assessment Area 2 Bonds pursuant to Section 3.01(a) hereof.
- **SECTION 4.02.** <u>Assessment Area 2 Revenue Account</u>. The Trustee shall transfer from amounts on deposit in the Assessment Area 2 Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, upon receipt but no later than the Business Day next preceding each Interest Payment Date, commencing [\_\_ 1, 20\_\_], to the Assessment Area 2 Interest Account of the Debt Service Fund, an amount equal to the interest on the Assessment Area 2 Bonds becoming due on the next succeeding Interest Payment Date, less any amount on deposit in the Assessment Area 2 Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each November 1, commencing [November 1, 20\_\_], to the Assessment Area 2 Sinking Fund Account, an amount equal to the principal amount of Assessment Area 2 Bonds subject to sinking fund redemption on such November 1, less any amount on deposit in the Assessment Area 2 Sinking Fund Account not previously credited;

THIRD, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Assessment Area 2 Bonds remain Outstanding, to the Assessment Area 2 Reserve Account, an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Reserve Requirement for the Assessment Area 2 Bonds;

FOURTH, notwithstanding the foregoing, at any time the Assessment Area 2 Bonds are subject to redemption on a date which is not a May 1 or November 1 Interest Payment Date, the Trustee shall be authorized to transfer to the Assessment Area 2 Interest Account, the amount necessary to pay interest on the Assessment Area 2 Bonds subject to redemption on such date; and

FIFTH, subject to the foregoing paragraphs, the balance of any moneys remaining after making the foregoing deposits shall be first deposited into the Assessment Area 2 Costs of Issuance Account upon the written request of the Issuer to cover any deficiencies in the amount allocated to pay the cost of issuing the Assessment Area 2 Bonds and next, any balance in the Assessment Area 2 Revenue Account shall remain on deposit in such Assessment Area 2 Revenue Account, unless needed for the purposes of rounding the principal amount of an Assessment Area 2 Bond subject to extraordinary mandatory redemption pursuant to 4.01(i) hereof to an Authorized Denomination, or unless pursuant to the Arbitrage Certificate, it is necessary to make a deposit into the Assessment Area 2 Rebate Fund, in which case, the Issuer shall direct the Trustee to make such deposit thereto.

SECTION 4.03. Power to Issue Assessment Area 2 Bonds and Create Lien. The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Assessment Area 2 Bonds, to execute and deliver the Assessment Area 2 Indenture and to pledge the Assessment Area 2 Pledged Revenues for the benefit of the Assessment Area 2 Bonds to the extent set forth herein. The Assessment Area 2 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 Assessment Area 2 Bonds, except as otherwise permitted under the Master Indenture and Section 5.04 hereof. The Assessment Area 2 Bonds and the provisions of the Assessment Area 2 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 Assessment Area 2 Indenture and all the rights of the Owners of the Assessment Area 2 Bonds under the Assessment Area 2 Indenture against all claims and demands of all persons whomsoever.

SECTION 4.04. Assessment Area 2 Project to Conform to Consulting Engineers Report. Simultaneously with the issuance of the Assessment Area 2 Bonds, the Issuer will promptly proceed to construct or acquire the Assessment Area 2 Project, as described in Exhibit A hereto and in the Consulting Engineers Report relating thereto, all pursuant to the terms and provisions of the Acquisition Agreement.

# SECTION 4.05. <u>Prepayments; Removal of Assessment Area 2 Special Assessment</u> Liens.

- (a) At any time any owner of property subject to the Assessment Area 2 Special Assessments may, at its option, or as a result of acceleration of the Assessment Area 2 Special Assessments because of non-payment thereof, shall, or by operation of law, require the Issuer to reduce or release and extinguish the lien upon its property by virtue of the levy of the Assessment Area 2 Special Assessments by paying or causing there to be paid, to the Issuer all or a portion of the Assessment Area 2 Special Assessment, which shall constitute Assessment Area 2 Prepayment Principal, plus, except as provided below, accrued interest to the next succeeding Quarterly Redemption Date (or the first succeeding Quarterly Redemption Date that is at least 45 days after such prepayment, if such Prepayment is made within 45 calendar days before the next succeeding Quarterly Redemption Date, as the case may be), attributable to the property subject to Assessment Area 2 Special Assessments owned by such owner. To the extent that such prepayments are to be used to redeem Assessment Area 2 Bonds pursuant to Section 3.01(b)(i) hereof, in the event the amount on deposit in the Assessment Area 2 Reserve Account will exceed the Assessment Area 2 Reserve Requirement for the Assessment Area 2 Bonds as a result of a prepayment in accordance with this Section 4.05(a) and the resulting extraordinary mandatory redemption in accordance with Section 3.01(b)(i) of this Second Supplemental Trust Indenture of Assessment Area 2 Bonds, the excess amount shall be transferred from the Assessment Area 2 Reserve Account to the Assessment Area 2 Prepayment Subaccount, as a credit against the Assessment Area 2 Prepayment Principal otherwise required to be paid by the owner of such lot or parcel, upon written instructions of the Issuer together with a certificate of a Responsible Officer of the Issuer stating that, after giving effect to such transfers sufficient moneys will be on deposit in the Assessment Area 2 Reserve Account to equal or exceed the Assessment Area 2 Reserve Requirement.
- (b) Upon receipt of Assessment Area 2 Prepayment Principal as described in paragraph (a) above, subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such action as is necessary to record in the official improvement lien book of the District that the Assessment Area 2 Special Assessment has been paid in whole or in part and that such Assessment Area 2 Special Assessment lien is thereby reduced, or released and extinguished, as the case may be.

The Trustee may conclusively rely on the Issuer's determination of what moneys constitute Prepayments. The Trustee shall calculate the amount available for the extraordinary mandatory redemption of the applicable Assessment Area 2 Bonds pursuant to Section 3.01(b)(i) forty-five (45) days prior to each Quarterly Redemption Date.

[END OF ARTICLE IV]

### ARTICLE V COVENANTS AND DESIGNATIONS OF THE ISSUER

SECTION 5.01. Collection of Assessment Area 2 Special Assessments. Pursuant to the terms and provisions of the Master Indenture, the Issuer shall collect the Assessment Area 2 Special Assessments relating to the acquisition and construction of the Assessment Area 2 Project through the Uniform Method of Collection (the "Uniform Method") afforded by Chapter 197, Florida Statutes. Pursuant to the terms and provisions of the Master Indenture, the Issuer shall, pursuant to the provisions of the Assessment Resolutions, directly collect the Assessment Area 2 Special Assessments levied in lieu of the Uniform Method with respect to any lands within Assessment Area 2 Area that have not been platted, unless the Trustee with the consent of the Majority Holders provide otherwise. In addition, and not in limitation of, the covenants contained elsewhere in this Second Supplemental Trust Indenture and in the Master Indenture, the Issuer covenants to comply with the terms of the proceedings heretofore adopted with respect to the Assessment Area 2 Special Assessments, and to levy and collect the Assessment Area 2 Special Assessments and any required true-up payments set forth in the assessment methodology or True-Up Agreement in such manner as will generate funds sufficient to pay Debt Service on the Assessment Area 2 Bonds when due. The assessment methodology shall not be amended without the written consent of the Majority Holder.

SECTION 5.02. <u>Continuing Disclosure</u>. Contemporaneously with the execution and delivery hereof, the Issuer and the Assessment Area 2 Landowner has executed and delivered a Continuing Disclosure Agreement in order to assist the Underwriter in complying with the requirements of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934. The Issuer covenants and agrees to comply with the provisions of the Continuing Disclosure Agreement applicable to it; however, as set forth therein, failure to so comply shall not constitute and Event of Default hereunder, but shall instead be enforceable by mandamus or any other means of specific performance.

**SECTION 5.03.** <u>Investment of Funds and Accounts</u>. The provisions of Section 7.02 of the Master Indenture shall apply to the investment and reinvestment of moneys in the Assessment Area 2 funds, accounts and subaccounts therein created hereunder.

SECTION 5.04. Additional Bonds. The Issuer covenants not to issue any other Bonds or other debt obligations secured by the Assessment Area 2 Special Assessments. In addition, the Issuer covenants not to issue any other Bonds or debt obligations for capital projects, secured by Special Assessments on the assessable lands within Assessment Area 2 that are subject to the Assessment Area 2 Special Assessments, until the Assessment Area 2 Special Assessments are Substantially Absorbed. The District shall present the Trustee with a certification that the Assessment Area 2 Special Assessments are Substantially Absorbed and the Trustee may rely conclusively upon such certification and shall have no duty to verify if the Assessment Area 2 Special Assessments are Substantially Absorbed. In the absence of such written certification, the Trustee is entitled to assume that the Assessment Area 2 Special Assessments have not been Substantially Absorbed. Such covenant shall not prohibit the Issuer from issuing refunding Bonds or any Bonds or other obligations for District Lands outside of Assessment Area 2, to finance any other capital project that is necessary to remediate any natural disaster, catastrophic damage or failure with respect to the Assessment Area 2 Project.

**SECTION 5.05.** Requisite Owners for Direction or Consent. Anything in the Master Indenture to the contrary notwithstanding, any direction or consent or similar provision which requires fifty-one percent of the Owners, shall in each case be deemed to refer to, and shall mean, the Majority Holders.

SECTION 5.06. Acknowledgement Regarding Assessment Area 2 Acquisition and Construction Account Moneys Following an Event of Default. In accordance with the provisions of the Assessment Area 2 Indenture, upon the occurrence of an Event of Default with respect to the Assessment Area 2 Bonds, the Assessment Area 2 Bonds are payable solely from the Assessment Area 2 Pledged Revenues and any other moneys held by the Trustee under the Assessment Area 2 Indenture for such purpose. Anything in the Assessment Area 2 Indenture to the contrary notwithstanding, the Issuer hereby acknowledges that, upon the occurrence of an Event of Default with respect to the Assessment Area 2 Bonds, (i) the Assessment Area 2 Pledged Revenues includes, without limitation, all amounts on deposit in the Assessment Area 2 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) the Assessment Area 2 Pledged Revenues may not be used by the Issuer (whether to pay costs of the Assessment Area 2 Project or otherwise) without the consent of the Majority Holder and (iii) the Assessment Area 2 Pledged Revenues may be used by the Trustee, at the direction or with the approval of the Majority Holder, to pay costs and expenses incurred in connection with the pursuit of remedies under the Assessment Area 2 Indenture, provided, however notwithstanding anything herein to the contrary the Trustee is also authorized to utilize the Assessment Area 2 Pledged Revenues to pay fees and expenses as provided in Section 10.12 of the Master Indenture.

[END OF ARTICLE V]

#### ARTICLE VI THE TRUSTEE; THE PAYING AGENT AND REGISTRAR

**SECTION 6.01.** Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created and agrees to perform such trusts upon the terms and conditions set forth in the Assessment Area 2 Indenture. The Trustee agrees to act as Paying Agent, Registrar and Authenticating Agent for the Assessment Area 2 Bonds.

**SECTION 6.02.** <u>Trustee's Duties</u>. The Trustee shall not be responsible in any manner for the due execution of this Second Supplemental Trust Indenture by the Issuer or for the recitals contained herein (except for the certificate of authentication on the Assessment Area 2 Bonds), all of which are made solely by the Issuer. Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlement inuring to the Trustee under the Master Indenture.

[END OF ARTICLE VI]

#### ARTICLE VII MISCELLANEOUS PROVISIONS

- **SECTION 7.01.** <u>Interpretation of Second Supplemental Trust Indenture.</u> This Second Supplemental Trust Indenture amends and supplements the Master Indenture with respect to the Assessment Area 2 Bonds, and all of the provisions of the Master Indenture, to the extent not inconsistent herewith, are incorporated in this Second Supplemental Trust Indenture by reference. To the maximum extent possible, the Master Indenture and the Second Supplemental Trust Indenture shall be read and construed as one document.
- **SECTION 7.02.** <u>Amendments.</u> Any amendments to this Second Supplemental Trust Indenture shall be made pursuant to the provisions for amendment contained in the Master Indenture.
- **SECTION 7.03.** Counterparts. This Second Supplemental Trust Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.
- **SECTION 7.04.** Appendices and Exhibits. Any and all schedules, appendices or exhibits referred to in and attached to this Second Supplemental Trust Indenture are hereby incorporated herein and made a part of this Second Supplemental Trust Indenture for all purposes.
- SECTION 7.05. Payment Dates. In any case in which an Interest Payment Date or the maturity date of the Assessment Area 2 Bonds or the date fixed for the redemption of any Assessment Area 2 Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.
- **SECTION 7.06.** <u>No Rights Conferred on Others</u>. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Assessment Area 2 Bonds, and no other person is intended to be a third party beneficiary hereof to be entitled to assert or preserve any claim hereunder.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK – SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Highland Meadows West Community Development District has caused this Second Supplemental Trust Indenture to be executed by the Chairperson of its Board of Supervisors and its corporate seal to be hereunto affixed and attested by the Secretary of its Board of Supervisors and U.S. Bank National Association has caused this Second Supplemental Trust Indenture to be executed by one of its authorized signatories, all as of the day and year first above written.

HIGHLAND MEADOWS WEST

[SEAL]	COMMUNITY DEVELOPMENT DISTRICT
Attest:	
	By:
D.,,	Name: Warren K. Heath II
By:	<ul> <li>Title: Chairperson, Board of Supervisors</li> </ul>
Name: Jill Burns	
Title: Secretary, Board of Supervisors	
	U.S. BANK NATIONAL ASSOCIATION, as Trustee, Paying Agent and Registrar
	By:
	Name: Stacey L. Johnson
	Title: Vice President

## EXHIBIT A DESCRIPTION OF ASSESSMENT AREA 2 PROJECT

Improvements constituting Phase 1 were financed by the \$6,385,000 Highland Meadows West Community Development District Special Assessment Bonds, Series 2019 previously issued by the District. The Assessment Area 2 Project includes, but is not limited to, Phase 2 of the following improvements, comprising Assessment Area 2:

<u>Infrastructure</u> <sup>(1)(9)</sup>	Phase 1 (266 Lots) 2019-2020	Phase 2 (130 Lots) 2020-2021	Phase 3 (46 Lots) 2020-2021	Total (442 Lots)
Offsite Improvements <sup>(5)(6)</sup>	\$ 270,000	\$ 118,000	\$ 42,000	\$ 430,000
Stormwater Management <sup>(2)(3)(5)(6)</sup>	1,149,000	560,000	200,000	1,909,000
Utilities (Water, Sewer, & Street Lighting) (5)(6)(8)	1,975,000	970,000	350,000	3,295,000
Roadway <sup>(4)(5)(6)</sup>	995,000	490,000	200,000	1,685,000
Entry Feature & Signage (6)(7)	440,000	210,000	20,000	670,000
Amenity Center <sup>(1)(6)</sup>	412,894	201,790	70,000	684,684
Parks and Recreation Facilities <sup>(1)(6)</sup>	127,106	58,210	20,000	205,316
Contingency	540,000	238,000	78,000	856,000
TOTAL	\$5,909,000	\$2,846,000	\$980,000	\$9,735,000

#### Notes:

- 1. Infrastructure consists of public roadway improvements, stormwater management facilities, master sanitary sewer lift station and utilities, entry feature, landscaping and signage, and neighborhood parks.
- 2. Excludes grading of each lot for initial pad construction, lot finishing and in conjunction with home construction, which will be provided by home builder.
- 3. Includes stormwater pond excavation. Costs do not include transportation to or placement of fill on private property.
- 4. Includes sub-grade, base, asphalt paving, curbing, and civil/site engineering of public roads.
- 5. Includes subdivision infrastructure and civil/site engineering.
- 6. Estimates are based on 2019 cost.
- 7. Includes entry features, signage, hardscape, landscape, irrigation and fencing.
- 8. CDD will enter into a Lighting Agreement with Duke Energy for the street light poles and lighting service. Only undergrounding of wires in public right-of-way and on District land is included.
- 9. Estimates based on Master Infrastructure to support development of 442 lots.

Source: Highland Meadows West Community Development District Engineer's Report for Capital Improvements dated as of July, 2018, as amended and supplemented by the Second Supplemental Engineer's Report for Capital Improvements dated January 8, 2020, each prepared by Wood & Associates Engineering, LLC.

#### **EXHIBIT B**

#### [FORM OF ASSESSMENT AREA 2 BOND]

**R-1** 

# UNITED STATES OF AMERICA STATE OF FLORIDA HAINES CITY, FLORIDA HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BOND SERIES 2020A (ASSESSMENT AREA 2 PROJECT)

Interest Rate	Maturity Date	Date of Original Issuance	<b>CUSIP</b>
%	November 1, 20	, 2020	43038H

Registered Owner: CEDE & CO.

**Principal Amount:** 

KNOW ALL PERSONS BY THESE PRESENTS that the Highland Meadows West Community Development District (the "Issuer"), for value received, hereby promises to pay to the registered owner shown above or registered assigns, on the date specified above, from the sources hereinafter mentioned, 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), said principal payable on the Maturity Date set forth above. Principal of and interest on this Bond are payable by U.S. Bank National Association, in Orlando, 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") made payable to the registered owner and mailed on each Interest Payment Date commencing [ 1, 20 ] to the address of the registered owner as such name and address shall appear on the registry books of the Issuer maintained by U.S. Bank National Association, as Registrar (said U.S. Bank National Association and any successor Registrar being herein called the "Registrar") at the close of business on the fifteenth day 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"), provided however presentation is not required for payment while the Assessment Area 2 Bonds are registered in book-entry only form. 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 [ 1, 20 ], in which case from the date of initial delivery, or unless the date of authentication hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Record Date and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by 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 Assessment Area 2 Indenture (defined below). Any capitalized term used in this Bond and not otherwise defined shall have the meaning ascribed to such term in the Assessment Area 2 Indenture.

THE ASSESSMENT AREA 2 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY OUT OF THE ASSESSMENT AREA 2 PLEDGED REVENUES PLEDGED THEREFOR UNDER THE ASSESSMENT AREA 2 INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE ISSUER, HAINES CITY, FLORIDA (THE "CITY"), POLK COUNTY, FLORIDA (THE "COUNTY"), THE STATE OF FLORIDA (THE "STATE"), OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE ASSESSMENT AREA 2 BONDS, EXCEPT THAT THE ISSUER IS OBLIGATED UNDER THE ASSESSMENT AREA 2 INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, ASSESSMENT AREA 2 SPECIAL ASSESSMENTS (AS DEFINED IN THE ASSESSMENT AREA 2 INDENTURE) TO SECURE AND PAY THE ASSESSMENT AREA 2 BONDS. THE ASSESSMENT AREA 2 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE CITY, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Assessment Area 2 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 Assessment Area 2 Indenture, of the certificate of authentication endorsed hereon.

This Bond is one of an authorized issue of Assessment Area 2 Bonds of the Highland Meadows West Community Development District, a community development district duly created, organized and existing under Chapter 190, Florida Statutes (the Uniform Community Development District Act of 1980), as amended (the "Act"), Ordinance No. 18-045 enacted by the Board of County Commissioners of Polk County, Florida on July 10, 2018, designated as "Highland Meadows West Community Development District Special Assessment Bonds, Series 2020A (Assessment Area 2 Project) (the "Assessment Area 2 Bonds"), in the aggregate principal and 00/100 Dollars (\$[ ] of like date, tenor and effect, except as to number. The Assessment Area 2 Bonds are being issued under authority of the laws and Constitution of the State, including particularly the Act, to pay, among other things, the costs of constructing and/or acquiring a portion of the Assessment Area 2 Project (as defined in the herein referred to Assessment Area 2 Indenture). The Assessment Area 2 Bonds shall be issued as fully registered Assessment Area 2 Bonds in authorized denominations, as set forth in the Assessment Area 2 Indenture. The Assessment Area 2 Bonds are issued under and secured by a Master Trust Indenture dated as of April 1, 2019 (the "Master Indenture"), as supplemented by a Second Supplemental Trust Indenture dated as of [\_\_\_\_\_\_\_, 2020] (the "Second Supplemental Trust Indenture" and together with the Master Indenture, the "Assessment Area 2 Indenture"), each by and between the Issuer and the Trustee, executed counterparts of which are on file at the designated corporate trust office of the Trustee in Orlando, Florida.

Reference is hereby made to the Assessment Area 2 Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Assessment Area 2 Bonds issued under the Assessment Area 2 Indenture, the operation and application of the Assessment Area 2 Reserve Account within the Reserve Fund and other Funds and Accounts (each as defined in the Assessment Area 2 Indenture) charged with and pledged to the payment of the principal of and the interest on the Assessment Area 2 Bonds, the levy and the evidencing and certifying for collection, of the Assessment Area 2 Special Assessments, the nature and extent of the security for the Assessment Area 2 Bonds, the terms and conditions on which the Assessment Area 2 Bonds are issued, the rights, duties and obligations of the Issuer and of the Trustee under the Assessment Area 2 Indenture, the conditions under which such Assessment Area 2 Indenture may be amended without the consent of the registered owners of the Assessment Area 2 Bonds, the conditions under which such Assessment Area 2 Indenture may be amended with the consent of the registered owners of a majority in aggregate principal amount of the Assessment Area 2 Bonds outstanding, and as to other rights and remedies of the registered owners of the Assessment Area 2 Bonds.

The owner of this Bond shall have no right to enforce the provisions of the Assessment Area 2 Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Assessment Area 2 Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Assessment Area 2 Indenture.

It is expressly agreed by the owner of this Bond that such owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, the City, the County, the State or any other political subdivision thereof, or taxation in any form of any real or personal property of the Issuer, the City, the County, the State or any other political subdivision thereof, for the payment of the principal of and interest on this Bond or the making of any other sinking fund and other payments provided for in the Assessment Area 2 Indenture, except for Assessment Area 2 Special Assessments to be assessed and levied by the Issuer as set forth in the Assessment Area 2 Indenture.

By the acceptance of this Bond, the owner hereof assents to all the provisions of the Assessment Area 2 Indenture.

This Bond is payable from and secured by Assessment Area 2 Pledged Revenues, as such term is defined in the Assessment Area 2 Indenture, all in the manner provided in the Assessment Area 2 Indenture. The Assessment Area 2 Indenture provides for the levy and the evidencing and certifying, of non-ad valorem assessments in the form of Assessment Area 2 Special Assessments to secure and pay the Assessment Area 2 Bonds.

The Assessment Area 2 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 Assessment Area 2 Bonds shall be made on the dates specified below. Upon any redemption of Assessment Area 2 Bonds other than in accordance with scheduled mandatory sinking fund redemption, the Issuer shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Assessment Area 2 Bonds in substantially equal annual installments of

principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Assessment Area 2 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Assessment Area 2 Bonds in any year. In the event of a redemption or purchase occurring less than 45 days prior to a date on which a mandatory sinking fund redemption payment is due, the foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption or purchase occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

#### Optional Redemption

The Assessment Area 2 Bonds maturing after [November 1, 20\_] may, at the option of the Issuer be called for redemption prior to maturity as a whole or in part, at any time, on or after [November 1, 20\_] (less than all Assessment Area 2 Bonds of a maturity to be selected by lot), at a Redemption Price equal to the principal amount of Assessment Area 2 Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date through which interest has been paid to the redemption date from moneys on deposit in the Assessment Area 2 Optional Redemption Subaccount of the Assessment Area 2 Bond Redemption Account. If such optional redemption shall be in part, the Issuer shall select such principal amount of Assessment Area 2 Bonds to be optionally redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 2 Bonds is substantially level.

#### Extraordinary Mandatory Redemption in Whole or in Part

The Assessment Area 2 Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole or in part, on any date (other than in the case of clause (i) below, which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Assessment Area 2 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

- (i) from Assessment Area 2 Prepayment Principal deposited into the Assessment Area 2 Prepayment Subaccount of the Assessment Area 2 Bond Redemption Account following the payment in whole or in part of Assessment Area 2 Special Assessments on any assessable property within the District in accordance with the provisions of Section 4.05(a) of the Second Supplemental Trust Indenture, together with any excess moneys transferred by the Trustee from the Assessment Area 2 Reserve Account to the Assessment Area 2 Prepayment Subaccount as a result of such Assessment Area 2 Prepayment and pursuant to Sections 4.01(f) and 4.05(a) of the Second Supplemental Trust Indenture. If such redemption shall be in part, the Issuer shall select such principal amount of Assessment Area 2 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 2 Bonds is substantially level;
- (ii) from moneys, if any, on deposit in the Assessment Area 2 Funds, Accounts and Subaccounts in the Funds and Accounts (other than the Assessment Area 2 Rebate Fund and the Assessment Area 2 Acquisition and Construction Account) sufficient to pay and

redeem all Outstanding Assessment Area 2 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture; and

(iii) upon the Completion Date, from any funds remaining on deposit in the Assessment Area 2 Acquisition and Construction Account not otherwise reserved to complete the Assessment Area 2 Project and transferred to the Assessment Area 2 General Redemption Subaccount of the Assessment Area 2 Bond Redemption Account. If such redemption shall be in part, the Issuer shall select such principal amount of Assessment Area 2 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 2 Bonds is substantially level.

#### Mandatory Sinking Fund Redemption

\*

The Assessment Area 2 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 2 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

	Year	Mandatory Sinking Fund Redemption Amount
		\$
	*	
Maturity.	•	

The Assessment Area 2 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 2 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

	Year	Mandatory Sinking Fund Redemption Amount
		\$
	*	
* Maturity.	-	

The Assessment Area 2 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 2 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

	Year	Mandatory Sinking Fund Redemption Amount
		\$
	*	
Maturity.		

The Assessment Area 2 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 2 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	Mandatory Sinking Fund Redemption Amount
	\$
*	

\* Maturity.

\*

Except as otherwise provided in the Assessment Area 2 Indenture, if less than all of the Assessment Area 2 Bonds subject to redemption shall be called for redemption, the particular such Assessment Area 2 Bonds or portions of such Assessment Area 2 Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Assessment Area 2 Indenture.

Notice of each redemption of the Assessment Area 2 Bonds is required to be mailed by the Registrar, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to each Registered Owner of the Assessment Area 2 Bonds to be redeemed at the address of such Registered Owner recorded on the bond register maintained by the Registrar. The Issuer may provide that the any optional redemption of Assessment Area 2 Bonds issued under the Assessment Area 2 Indenture may be subject to certain conditions; provided that the notice of such conditional optional redemption must expressly state that such optional redemption is conditional and describe the conditions for such redemption. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Assessment Area 2 Indenture, the Assessment Area 2 Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Assessment Area 2 Bonds or such portions thereof on such date, interest on such Assessment Area 2 Bonds or such portions thereof so called for redemption shall cease to accrue, such Assessment Area 2 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Assessment Area 2 Indenture and the Owners thereof shall have no rights in respect of such Assessment Area 2 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Registrar to certain registered securities depositories and information services as set forth in the Assessment Area 2 Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

The Owner of this Bond shall have no right to enforce the provisions of the Assessment Area 2 Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Assessment Area 2 Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Assessment Area 2 Indenture.

In certain events, on the conditions, in the manner and with the effect set forth in the Assessment Area 2 Indenture, the principal of all the Assessment Area 2 Bonds then Outstanding under the Assessment Area 2 Indenture may become and may be declared due and payable before the stated maturity thereof, with the interest accrued thereon.

Modifications or alterations of the Assessment Area 2 Indenture or of any Assessment Area 2 Indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Assessment Area 2 Indenture.

Any moneys held by the Trustee or Paying Agent in trust for the payment and discharge of any Bond which remain unclaimed for two (2) years after the date when such Bond has become due and payable, either at its stated maturity date or by call for earlier redemption shall be paid to the Issuer, thereupon and thereafter no claimant shall have any rights against the Trustee or Paying Agent to or in respect of such moneys.

If the Issuer deposits or causes to be deposited with the Trustee funds or Federal Securities (as defined in the Master Indenture) sufficient to pay the principal or Redemption

Price of any the Assessment Area 2 Bonds becoming due at maturity or by call for redemption in the manner set forth in the Assessment Area 2 Indenture, together with the interest accrued to the due date, or date of redemption, as applicable, the lien of such Assessment Area 2 Bonds as to the Trust Estate with respect to the Assessment Area 2 Bonds shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Assessment Area 2 Indenture.

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

The Issuer shall keep books for the registration of the Assessment Area 2 Bonds at the designated corporate trust office of the Registrar in Orlando, Florida. Subject to the restrictions contained in the Assessment Area 2 Indenture, the Assessment Area 2 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 Assessment Area 2 Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver a new Bond or Assessment Area 2 Bonds in authorized form and in like aggregate principal amount in accordance with the provisions of the Assessment Area 2 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 Assessment Area 2 Bonds.

The Issuer, the Trustee, the Paying Agent and the Registrar shall deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner thereof (whether or not such Bond shall be overdue) for the purpose of receiving payment of or on account of the principal of, premium, if any, and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in 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 Assessment Area 2 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 – SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, Highland Meadows West Community Development District has caused this Bond to be signed by the facsimile signature of the Chairperson of its Board of Supervisors and a facsimile of its seal to be imprinted hereon, and attested by the facsimile signature of the Secretary of its Board of Supervisors, all as of the date hereof.

# HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT

	By:
	Chairperson, Board of Supervisors
(SEAL)	
Attest:	
By:Secretary, Board of Supervisors	

#### **CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Assessment mentioned Assessment Area 2 Indenture.	Area 2 Bonds delivered pursuant to the within
Date of Authentication:	
	U.S. BANK NATIONAL ASSOCIATION, as Trustee
	By:Authorized Signatory

#### STATEMENT OF VALIDATION

This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court of the Tenth Judicial Circuit of Florida, in and for Hardee, Highlands and Polk Counties, rendered on the 15<sup>th</sup> day of October, 2018.

#### HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT

	By:
	Chairperson, Board of Supervisors
(SEAL)	
Attest:	
By: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 TEN ENT JT TEN	- a	s tenants in constants by the strength of the	he entireties s with rights o	of survivorship and
UNIFORM TRANSFER MIN ACT -			Custodian	
		Cust)		(Minor)
Under Uniform Transfer to Minors Act				,
	(Stat	e)		

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 **NOTICE:** The signature to this assignment Exchange or a commercial bank or trust company

by a member firm of the New York Stock 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 other identifying number of Assignee.

#### **EXHIBIT C**

#### FORMS OF REQUISITIONS

# HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS SERIES 2020A (ASSESSMENT AREA 2 PROJECT)

(Acquisition and Construction)

The undersigned, a Responsible Officer of the Highland Meadows West Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture by and between the District and U.S. Bank National Association, as trustee (the "Trustee"), dated as of April 1, 2019 as supplemented by that certain Second Supplemental Trust Indenture dated as of [\_\_\_\_\_\_1, 2020] (collectively, the "Assessment Area 2 Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Assessment Area 2 Indenture):

- (A) Requisition Number:
- (B) Identify Acquisition Agreement, if applicable;
- (C) Name of Payee pursuant to Acquisition Agreement:
- (D) Amount Payable:
- (E) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments):
- (F) Fund or Account and subaccount, if any, from which disbursement to be made:

Assessment Area 2 Acquisition and Construction Account of the Acquisition and Construction Fund.

#### The undersigned hereby certifies that:

- 1. obligations in the stated amount set forth above have been incurred by the District,
- 2. each disbursement set forth above is a proper charge against the Assessment Area 2 Acquisition and Construction Account; and
- 3. each disbursement set forth above was incurred in connection with the Cost of the Assessment Area 2 Project.

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

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

Attached hereto or on file with the District are copies of the invoice(s) or applicable contracts from the vendor of the property acquired or the services rendered, as well as applicable conveyance instruments (e.g. deed(s), bill(s) of sale, easement(s), etc.) with respect to which disbursement is hereby requested.

disbursement is hereby requested.	
	HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT
	By: Responsible Officer
	Date:
NON-COST OF ISSUANCE OR [NON  The undersigned Consulting Engineer of the Assessment Area 2 Project and is	INEER'S APPROVAL FOR N-OPERATING COSTS REQUESTS ONLY] Thereby certifies that this disbursement is for a Cost consistent with: (i) the applicable acquisition or
Project with respect to which such disburs Consulting Engineer, as such report shall ha The Consulting Engineer further certifies and the Assessment Area 2 Project that is the sepurchase price to be paid by the District for acquired with this disbursement is no more	diffications for the portion of the Assessment Area 2 sement is being made; and (iii) the report of the ave been amended or modified on the date hereof. In dagrees that for any acquisition (a) the portion of subject of this requisition is complete, and (b) the the portion of the Assessment Area 2 Project to be than the lesser of (i) the fair market value of such trustion of such improvements.
improvements and (ii) the actual cost of const	truction of such improvements.
	Consulting Engineer
	Date

#### FORMS OF REQUISITIONS

#### HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS SERIES 2020A (ASSESSMENT AREA 2 PROJECT)

(Costs of Issuance)

The undersigned, a Responsible Officer of the Highland Meadows West Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture by and between the District and U.S. Bank National Association, as trustee (the "Trustee"), dated as of April 1, 2019, as supplemented by that certain Second Supplemental Trust Indenture dated as of [\_\_\_\_\_\_1, 2020] (collectively, the "Assessment Area 2 Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Assessment Area 2 Indenture):

- (A) Requisition Number:
- (B) Amount Payable:
- (C) Purpose for which paid or incurred: Costs of Issuance
- (D) Fund or Account and subaccount, if any, from which disbursement to be made:

Assessment Area 2 Costs of Issuance Account of the Acquisition and Construction Fund

The undersigned hereby certifies that:

- 1. this requisition is for Costs of Issuance payable from the Assessment Area 2 Costs of Issuance Account that have not previously been paid;
- 2. each disbursement set forth above is a proper charge against the Assessment Area 2 Costs of Issuance Account;
- 3. each disbursement set forth above was incurred in connection with the issuance of the Assessment Area 2 Bonds; and
- 4. each disbursement represents a cost of issuance which has not previously been paid.

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof. The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

Attached hereto or on file with the District are copies of the invoice(s) from the vendor of the services rendered, with respect to which disbursement is hereby requested.

	ILAND MEADOWS WEST MUNITY DEVELOPMENT DISTRICT
By:	Responsible Officer
Date:	Tresponsione officer

#### EXHIBIT D FORM OF INVESTOR LETTER

[Date]

Highland Meadows West Community Development District c/o Governmental Management Services – Central Florida, LLC 219 E. Livingston St. Orlando, FL 32801

Orlando, FL 32801
FMSbonds, Inc. 20660 W. Dixie Highway North Miami Beach, FL 33180
Re: \$[] Highland Meadows West Community Development District Special Assessment Bonds Series 2020A (Assessment Area 2 Project)
Ladies and Gentlemen:
The undersigned is authorized to sign this letter [on behalf of Name of Non-Individua Investor], as the beneficial owner (the "Investor") of \$ of the above-referenced Bond [state maturing on, 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 thi letter, any other instruments and documents required to be executed by the Investor is connection with the purchase of the Investor Bonds.
2. The Investor is an "accredited investor" as described in Rule 501 unde Regulation D of the Securities Act of 1933, as amended (the "Securities Act"), and therefore, ha 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 o 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, busines 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 advises 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 t	he equity owners are "accredited investors;"
	of the	prima	se, that exceeds \$1 million	as individual net worth, or joint net worth with the on at the time of the purchase, excluding the value erson except that mortgage indebtedness on the d as a liability;
		•	or joint income with a s	spouse exceeding \$200,000 in each of the two most spouse exceeding \$300,000 for those years and a some level in the current year; or
	purpos			in excess of \$5,000,000, not formed for the specificated whose purchase is directed by a sophisticated
(the "( Offerii	Offering ng Doc on to inv	ring Meg Docur ument havest in the	morandum dated [	ed with an (electronic) copy of the Preliminary
terms i		ndenture		otherwise defined have the meanings given to such
				Very truly yours,
				[Name], [Type of Entity]
				By: Name: Title: Date: Or
				[Name], an Individual

#### **EXHIBIT B**

#### FORM OF THIRD SUPPLEMENTAL INDENTURE

THIRD SUPPLEMENTAL TRUST INDENTURE				
between				
HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT (HAINES CITY, FLORIDA)				
and				
U.S. BANK NATIONAL ASSOCIATION				
as Trustee				
Dated as of [1, 2020]				
Authorizing and Securing  \$[] HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT				

SPECIAL ASSESSMENT BONDS, SERIES 2020A (ASSESSMENT AREA 3 PROJECT)

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THIS THIRD SUPPLEMENTAL TRUST INDENTURE (the "Third Supplemental Trust Indenture"), dated as of [\_\_\_\_\_\_ 1, 2020] between the HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT (together with its successors and assigns, the "Issuer" and 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 and having a designated corporate trust office in Orlando, Florida, as trustee (said national banking association and any bank or trust company becoming successor trustee under this Third Supplemental Trust Indenture 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") created pursuant to Ordinance No. 18-045 enacted by the Board of County Commissioners of Polk County, Florida (the "County") on July 10, 2018 (the "Original Ordinance"), and approved and consented to by the City Commission of the City of Haines City, Florida (the "City") and by Resolution No. 18-1310 adopted on May 3, 2018, for the purposes of delivering community development services and facilities to property to be served by the District (as defined below); and

**WHEREAS**, the premises governed by the Issuer (as further described in Exhibit A to the Master Indenture (as defined herein)) originally consisted of approximately 97.67 acres of land (the "Existing District Lands") located entirely within the City; and

WHEREAS, effective January 7, 2020 the boundaries of the District were amended pursuant to Ordinance No. [\_\_\_] – [\_\_\_\_] of the Board of County Commissioners of the County to include an additional approximately 9.76 gross acres of land, the location of which is described in more detail in the Supplemental Engineer's Report (as defined herein) (the "Expansion Parcel" and, together with the Existing District Lands, herein the "District Lands") and approved and consented to by the City Commission of the City by Resolution No. 19-1421 adopted on November 7, 2019; 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 three phases, the acquisition and/or construction of public infrastructure improvements and community facilities for the special benefit of the District Lands (the "Project"), as described in the Engineer's Report for Capital Improvements dated July 2018, as amended and supplemented by the Second Supplemental Engineer's Report for Capital Improvements dated January 8, 2020 (the "Supplemental Engineer's Report") and summarized in Exhibit B to the Master Indenture (as defined herein); and

WHEREAS, the Issuer has previously adopted Resolution No. 2018-24 on July 24, 2018 (the "Original Authorizing Resolution"), authorizing the issuance of not to exceed \$12,000,000 in aggregate principal amount of its Special Assessment Bonds (the "Bonds") to finance all or a

portion of the planning, design, acquisition and construction costs of the Project pursuant to the Act for the special benefit of the District Lands or portions thereof and approving the form of and authorizing the execution and delivery of the Master Indenture; and

WHEREAS, pursuant to that certain Master Trust Indenture dated as of April 1, 2019 (the "Master Indenture"), as supplemented by a First Supplemental Trust Indenture dated as of April 1, 2019 (the "First Supplemental Indenture") each between the Issuer and the Trustee, the Issuer previously issued its \$6,385,000 Highland Meadows West Community Development District (Haines City, Florida) Special Assessment Bonds, Series 2019, for the primary purpose of funding a portion of the costs of certain public improvements; and

WHEREAS, Highland Sumner, LLC, a Florida limited liability company ("Highland Sumner") owns a portion of the Existing District Lands which is expected to comprise 130 homesites ("Assessment Area 2") and Orchid Terrace Group, LLC, a Florida limited liability company ("Orchid") owns the Expansion Parcel which is expected to comprise an additional 46 homesites ("Assessment Area 3"); and

WHEREAS, the Issuer has determined to simultaneously issue two additional Series of Bonds, designated as the (i) Highland Meadows West Community Development District Special Assessment Bonds, Series 2020A (Assessment Area 2 Project) (the "Assessment Area 2 Bonds") and to provide funds for the Assessment Area 3 Landowner to construct or cause the Issuer to construct all of the public infrastructure necessary to serve Assessment Area 3 (the "Assessment Area 3 Project") (such public infrastructure as described in Exhibit A attached hereto), and (ii) Highland Meadows West Community Development District Special Assessment Bonds, Series 2020A (Assessment Area 3 Project) (the "Assessment Area 3 Bonds"); and

WHEREAS, the Assessment Area 3 Bonds are being issued pursuant to the Master Indenture and this Third Supplemental Trust Indenture (hereinafter sometimes collectively referred to as the "Assessment Area 3 Indenture"), and the proceeds thereof will primarily be used to provide funds for a portion of the costs of acquiring and/or constructing the Assessment Area 3 Project; and

WHEREAS, the Assessment Area 2 Bonds are being issued pursuant to the Master Indenture and that certain Second Supplemental Trust Indenture (hereinafter sometimes collectively referred to as the "Assessment Area 2 Indenture") and the proceeds thereof will primarily be used to provide funds for a portion of the costs of acquiring and/or constructing the public infrastructure necessary to serve Assessment Area 2 Project (the "Assessment Area 2 Project"); and

WHEREAS, in the manner provided herein, the proceeds of the Assessment Area 3 Bonds will be used for the purposes of (i) providing funds to pay all or a portion of the costs of the planning, financing, acquisition, construction, equipping and installation of the Assessment Area 3 Project, (ii) funding a deposit to the Assessment Area 3 Reserve Account in the amount of the Assessment Area 3 Reserve Requirement, (iii) paying a portion of the interest coming due on the Assessment Area 3 Bonds, and (iv) paying the costs of issuance of the Assessment Area 3 Bonds; and

**WHEREAS**, the Assessment Area 3 Bonds will be secured by a pledge of Assessment Area 3 Pledged Revenues (as hereinafter defined) to the extent provided herein; and

**WHEREAS**, the Assessment Area 2 Bonds will be separately secured by a pledge of special assessments levied on assessable property within Assessment Area 2 specially benefitted by the Assessment Area 2 Project in the manner and to the extent provided in the Assessment Area 2 Indenture.

NOW, THEREFORE, THIS THIRD SUPPLEMENTAL TRUST INDENTURE WITNESSETH, that to provide for the issuance of the Assessment Area 3 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 Assessment Area 3 Bonds, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Assessment Area 3 Bonds by the Owners thereof, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer does hereby assign, transfer, set over and pledge to U.S. Bank National Association, as Trustee, its successors in trust and its assigns forever, and grants a lien on all of the right, title and interest of the Issuer in and to the Assessment Area 3 Pledged Revenues as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Assessment Area 3 Bonds issued hereunder, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

**TO HAVE AND TO HOLD** the same and, to the extent the same may be lawfully granted, 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 Assessment Area 3 Indenture with respect to the Assessment Area 3 Bonds.

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future Owners of the Assessment Area 3 Bonds issued and to be issued under this Third Supplemental Trust Indenture, without preference, priority or distinction as to lien or otherwise (except as otherwise specifically provided in this Third Supplemental Trust Indenture) of any one Assessment Area 3 Bond over any other Assessment Area 3 Bond, all as provided in the Assessment Area 3 Indenture.

**PROVIDED, HOWEVER**, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal or redemption price of the Assessment Area 3 Bonds issued, secured and Outstanding hereunder and the interest due or to become due thereon, at the times and in the manner mentioned in such Assessment Area 3 Bonds and the Assessment Area 3 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 Assessment Area 3 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 Trust Indenture and the rights hereby granted shall cease

and terminate, otherwise this Third Supplemental Trust Indenture to be and remain in full force and effect.

#### ARTICLE I DEFINITIONS

In this Third Supplemental Trust Indenture capitalized terms used without definition shall have the meanings ascribed thereto in the Master Indenture and, in addition to certain terms defined in the recitals above, the following terms shall have the meanings specified below, unless otherwise expressly provided or unless the context otherwise requires:

"Arbitrage Certificate" shall mean that certain Arbitrage Certificate, including arbitrage rebate covenants, of the Issuer, dated [\_\_\_\_\_\_\_\_, 2020], relating to certain restrictions on arbitrage under the Code with respect to the Assessment Area 3 Bonds.

"Assessment Area 3" shall mean the approximately 9.76 acres of land within the District currently planned for 46 single-family residences constituting Phase 3 of the residential community thereon ("Phase 3") and the recreation areas, parks and related infrastructure.

"Assessment Area 3 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 Third Supplemental Trust Indenture.

"Assessment Area 3 Bond Redemption Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(g) of this Third Supplemental Trust Indenture.

"Assessment Area 3 Bonds" shall mean the \$[\_\_\_] aggregate principal amount of Highland Meadows West Community Development District Special Assessment Bonds, Series 2020A (Assessment Area 3 Project), to be issued as fully registered Bonds in accordance with the provisions of the Master Indenture and this Third Supplemental Trust Indenture, and secured and authorized by the Master Indenture and this Third Supplemental Trust Indenture.

"Assessment Area 3 Costs of Issuance Account" shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this Third Supplemental Trust Indenture.

"Assessment Area 3 General Redemption Subaccount" shall mean the subaccount so designated, established as a separate subaccount under the Assessment Area 3 Bond Redemption Account pursuant to Section 4.01(g) of this Third Supplemental Trust Indenture.

"Assessment Area 3 Indenture" shall mean collectively, the Master Indenture and this Third Supplemental Trust Indenture.

"Assessment Area 3 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 Trust Indenture.

"Assessment Area 3 Landowner" shall mean Orchid Terrace Group, LLC, and its successors and assigns.

"Assessment Area 3 Optional Redemption Subaccount" shall mean the subaccount so designated, established as a separate subaccount under the Assessment Area 3 Bond Redemption Account pursuant to Section 4.01(g) of this Third Supplemental Trust Indenture.

"Assessment Area 3 Pledged Revenues" shall mean with respect to the Assessment Area 3 Bonds (a) all revenues received by the Issuer from Assessment Area 3 Special Assessments levied and collected on the assessable lands within Assessment Area 3, benefitted by the Assessment Area 3 Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Assessment Area 3 Special Assessments or from the issuance and sale of tax certificates with respect to such Assessment Area 3 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Assessment Area 3 Indenture created and established with respect to or for the benefit of the Assessment Area 3 Bonds; provided, however, that Assessment Area 3 Pledged Revenues shall not include (A) any moneys transferred to the Assessment Area 3 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Assessment Area 3 Costs of Issuance Account of the Acquisition and Construction Fund, and (C) "special assessments" levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or "maintenance assessments" levied and collected by the Issuer under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Assessment Area 3 Indenture shall not apply to any of the moneys described in the foregoing clauses (A), (B) and (C) of this proviso).

"Assessment Area 3 Prepayment Principal" shall mean the portion of a Prepayment corresponding to the principal amount of Assessment Area 3 Special Assessments being prepaid pursuant to Section 4.05 of this Third Supplemental Trust Indenture or as a result of an acceleration of the Assessment Area 3 Special Assessments pursuant to Section 170.10, Florida Statutes, if such Assessment Area 3 Special Assessments are being collected through a direct billing method.

"Assessment Area 3 Prepayment Subaccount" shall mean the subaccount so designated, established as a separate subaccount under the Assessment Area 3 Bond Redemption Account pursuant to Section 4.01(g) of this Third Supplemental Trust Indenture.

"Assessment Area 3 Project" shall mean the public infrastructure described in Exhibit A attached hereto benefitting Assessment Area 3 and comprising Phase 3 of the residential community thereon.

"Assessment Area 3 Rebate Account" shall mean the Account so designated, established as a separate Account within the Rebate Fund pursuant to Section 4.01(j) of this Third Supplemental Trust Indenture.

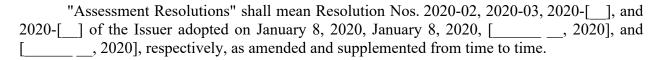
"Assessment Area 3 Reserve Account" shall mean the Account so designated, established as a separate Account within the Reserve Fund pursuant to Section 4.01(f) of this Third Supplemental Trust Indenture.

"Assessment Area 3 Reserve Requirement" or "Reserve Requirement" shall (i) initially be an amount equal to the maximum annual debt service on the Assessment Area 3 Bonds as calculated from time to time; and (ii) upon the occurrence of the Conditions for Reduction of Reserve Requirement, fifty percent (50%) of the maximum annual debt service on the Assessment Area 3 Bonds as calculated from time to time. Upon satisfaction of the Conditions for Reduction of Reserve Requirement, such excess amount shall be released from the Assessment Area 3 Reserve Account and transferred to the Assessment Area 3 Acquisition and Construction Account in accordance with the provisions of Sections 4.01(a) and 4.01(f) hereof. For the purpose of calculating the Assessment Area 3 Reserve Requirement, maximum annual debt service shall be calculated as of the date of the original issuance and delivery and recalculated in connection with each extraordinary mandatory redemption of the Assessment Area 3 Bonds as described in Section 3.01(b)(i) hereof (but not upon the optional or mandatory sinking fund redemption thereof) and such excess amount shall be released from the Assessment Area 3 Reserve Account and, other than as provided in the immediately preceding sentence, transferred to the Assessment Area 3 Prepayment Subaccount in accordance with the provisions of Section 3.01(b)(i), 4.01(f) and 4.05(a) hereof. Amounts on deposit in the Assessment Area 3 Reserve Account may, upon final maturity or redemption of all Outstanding Assessment Area 3 Bonds be used to pay principal of and interest on the Assessment Area 3 Bonds at that time. Initially, the Assessment Area 3 Reserve Requirement shall be equal to \$[ ].

"Assessment Area 3 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 Trust Indenture.

"Assessment Area 3 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 Third Supplemental Trust Indenture.

"Assessment Area 3 Special Assessments" shall mean a portion of the Special Assessments levied on the assessable lands within Assessment Area 3 as a result of the Issuer's acquisition and/or construction of the Assessment Area 3 Project, corresponding in amount to the debt service on the Assessment Area 3 Bonds and designated as such in the methodology report relating thereto.



"Authorized Denomination" shall mean, with respect to the Assessment Area 3 Bonds, on the date of issuance in the denominations of \$5,000 and any integral multiple thereof; provided, however, if any initial beneficial owner does not purchase at least \$100,000 of the Assessment Area 3 Bonds at the time of initial delivery of the Assessment Area 3 Bonds, such beneficial owner must either execute and deliver to the Issuer and the Underwriter on the date of delivery

of the Assessment Area 3 Bonds the investor letter in the form attached hereto as Exhibit D or otherwise establish to the satisfaction of the Underwriter that such Beneficial Owner is an "accredited investor," as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended.

"Collateral Assignment" shall mean the certain rights granted on instruments executed by the Assessment Area 3 Landowner in favor of the Issuer whereby all of the material documents necessary to complete the development planned by the Assessment Area 3 Landowner is collaterally assigned as security for the Assessment Area 3 Landowner's obligation to pay the Assessment Area 3 Special Assessments imposed against lands within Assessment Area 3 owned by the Assessment Area 3 Landowner from time to time.

"Completion Agreement" shall mean the Agreement between the District and the Assessment Area 3 Landowner regarding the completion of certain improvements dated [\_\_\_\_\_, 2020].

"Conditions for Reduction of Reserve Requirement" shall mean collectively (i) the sale of all lots in Assessment Area 3 to homebuilders unrelated to the Assessment Area 3 Landowner or an affiliated entity shall have been closed, as certified by the District Manager, and (ii) there shall be no Events of Default under the Assessment Area 3 Indenture with respect to the Assessment Area 3 Bonds, as certified by the District Manager. The District shall present the Trustee with the certifications of the District Manager regarding the satisfaction of the Conditions for Reduction of Reserve Requirement; and the Trustee may rely conclusively upon such certifications and shall have no duty to verify the same.

"Declaration of Consent" shall mean that certain instrument executed by the Assessment Area 3 Landowner declaring consent to the jurisdiction of the District and the imposition of the Assessment Area 3 Special Assessments.

"Defeasance Securities" shall mean, with respect to the Assessment Area 3 Bonds, to the extent permitted by law, (a) cash deposits, and (b) direct obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of Treasury) which are non-callable and non-prepayable.

"District Lands" shall mean the Existing District Lands and the Expansion Parcel.

"District Manager" shall mean Governmental Management Services – Central Florida, LLC, and its successors and assigns.

"Existing District Lands" shall mean the current 97.67 gross acres of land located within the City comprising the District.

"Expansion Parcel" shall mean the 9.76 gross acres of land adjacent to the Existing District Lands and expected to be annexed into the District boundaries.

"Interest Payment Date" shall mean May 1 and November 1 of each year, commencing 1, 2020].

"Investment Obligations" shall mean and include any of the following securities with respect to the investment of moneys under this Third Supplemental Trust Indenture:

- (i) Government Obligations;
- (ii) obligations of any of the following agencies: Government National Mortgage Association (including participation certificates issued by such association); Fannie Mae (including participation certificates issued by such entity); Federal Home Loan Banks; Federal Farm Credit Banks; Tennessee Valley Authority; Farmers Home Administration; Student Loan Marketing Association; Federal Home Loan Mortgage Corporation;
- (iii) money market deposit accounts, time deposits, and certificates of deposit issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are rated, at the time of purchase, in one of the two highest rating categories, without regard to gradation, by Moody's and S&P;
- (iv) commercial paper rated in the top two rating categories by both Moody's and S&P at the time of purchase;
- (v) municipal securities issued by any state or commonwealth of the United States or political subdivision thereof or constituted authority thereof including, but not limited to, municipal corporations, school districts and other special districts and rated A- or higher by Moody's, Fitch or S&P at the time of purchase;
- (vi) both (A) shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940) or a regulated investment company (as defined in Section 851(a) of the Code) that is a money market fund that is rated in the highest rating category for money market funds by both Moody's and S&P, including those shares offered or sponsored by the Trustee, and (B) shares of money market mutual funds, including those funds offered or sponsored by the Trustee, that invest only in Government Obligations and obligations of any of the following agencies: Government National Mortgage Association (including participation certificates issued by such association); Fannie Mae (including participation certificates issued by such entity); Federal Home Loan Banks; Federal Farm Credit Banks; Tennessee Valley Authority; Farmers Home Administration; Student Loan Marketing Association; Federal Home Loan Mortgage Corporation and repurchase agreements secured by such obligations, which funds are rated in the two highest categories for such funds by both Moody's and S&P;
- (vii) repurchase agreements, which will be collateralized at the onset of the repurchase agreement of at least 103% marked to market weekly by a third party acting solely as agent for the Issuer 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 (10) calendar 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 immediately notify the Trustee and the Issuer and must at the direction by 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) calendar days of the date such conditions apply, then the repurchase agreement shall provide that the Trustee shall be entitled to, and in such event, the Trustee shall withdraw the entire amount invested plus accrued interest within ten (10) Business Days after the Trustee knows such conditions apply. Any repurchase agreement entered into pursuant to this Third Supplemental Trust Indenture shall contain the following additional provisions:

- 1) Failure to maintain the requisite collateral percentage will require the District or the Trustee to liquidate the collateral as provided above;
- 2) 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);
- 3) The repurchase agreement shall state and an opinion of Counsel addressed to the Issuer and the Trustee 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);
- 4) 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;
- 5) 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;
- 6) The Issuer or its designee shall represent that it has no knowledge of any fraud involved in the repurchase transaction;

- 7) 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;
  - 8) The term of the repurchase agreement shall be no longer than ten years;
- 9) The interest with respect to the repurchase transaction shall be payable at the times and in the amounts necessary in order to make funds available when required under this Third Supplemental Trust Indenture;
- 10) 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 Third Supplemental Trust Indenture;
- 11) 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
- 12) 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 of the Holders and the Trustee. The custodial agreement shall provide that the Trustee must have 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;

(viii) 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 two highest short-term rating categories by Moody's or S&P (if the term of such agreement does not exceed 365 days), or has an unsecured, uninsured and unguaranteed obligation (or claims paying ability) rated by Aa2 or better by Moody's and AA or better by S&P or Fitch, respectively (if the term of such agreement is more than 365 days) or is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation of the aforesaid ratings, provided:

- 1) interest is paid on any date interest is due on the Assessment Area 3 Bonds (not more frequently than quarterly) at a fixed rate (subject to adjustments for yield restrictions required by the Code) during the entire term of the agreement;
- 2) moneys invested thereunder may be withdrawn without penalty, premium, or charge upon not more than two (2) Business Days' notice unless otherwise specified in a Supplemental Indenture;
- 3) the same guaranteed interest rate will be paid on any future deposits made to restore the account to its required amount;
- 4) 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;
- 5) in the event of a suspension, withdrawal, or downgrade below Aa3, AA-or AA- by Moody's, S&P or Fitch, respectively, the provider shall notify the Issuer and the Trustee within five (5) Business Days of such downgrade event and the provider shall at its option, within ten (10) Business Days after notice is given to the Issuer and the Trustee take any one 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 market 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 market 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 market to market approach; or
  - D) repay all amounts due and owing under the agreement; and
- 6) in the event the provider has not satisfied any one of the above conditions within three (3) Business 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.
- (ix) 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, at the time of purchase, rated A- or better by at least two (2) of the following rating agencies: Moody's, S&P or Fitch or AA- or better by either S&P, Moody's or Fitch:
- (x) the Local Government Surplus Funds Trust Fund as described in <u>Florida Statutes</u>, Section 218.405 or the corresponding provisions of subsequent laws provided that such fund, at

the time of purchase, is rated at least "AA" by S&P (without regard to gradation) or at least "Aa" by Moody's (without regard to gradation); and

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

A certificate of an Authorized Officer directing any investment enumerated above shall constitute a representation by the Issuer that such investment is permitted under this Third Supplemental Trust Indenture and is a legal investment for funds of the District, upon which the Trustee is conclusively entitled to rely.

"Majority Holders" means the Beneficial Owners of more than fifty percent (50%) in aggregate principal amount of the Outstanding Assessment Area 3 Bonds.

"Master Indenture" shall mean the Master Trust Indenture, dated as of April 1, 2019, by and between the Issuer and the Trustee, as supplemented and amended with respect to matters pertaining solely to the Master Indenture or the Assessment Area 3 Bonds (as opposed to supplements or amendments relating to any Series of Bonds other than the Assessment Area 3 Bonds as specifically defined in this Third Supplemental Trust Indenture).

"Orchid" shall mean Orchid Terrace Group, LLC, a Florida limited liability company, and its successors and assigns.

"Paying Agent" shall mean U.S. Bank National Association, and its successors and assigns as Paying Agent hereunder.

"Prepayment" shall mean the payment by any owner of property of the amount of Assessment Area 3 Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments. The term "Prepayment" also means any proceeds received as a result of accelerating and/or foreclosing the Assessment Area 3 Special Assessments. "Prepayments" shall include, without limitation, Assessment Area 3 Prepayment Principal.

"Project" shall mean all of the public infrastructure deemed necessary for the development of the District including, but not limited to, the Assessment Area 3 Project.

"Quarterly Redemption Date" shall mean each February 1, May 1, August 1, and November 1 of any calendar year.

"Redemption Price" shall mean the principal amount of any Assessment Area 3 Bond plus the applicable premium, if any payable upon redemption thereof pursuant to this Third Supplemental Trust Indenture.

"Registrar" shall mean U.S. Bank National Association and its successors and assigns as Registrar hereunder.

"Regular Record Date" shall mean the fifteenth day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date or the date on which the principal of an Assessment Area 3 Bond is to be paid. "Resolution" shall mean, collectively, (i) Resolution No. 2018-24 of the Issuer adopted on July 24, 2018, pursuant to which the Issuer authorized the issuance of not exceeding \$12,000,000 aggregate principal amount of its Bonds to finance the construction or acquisition of the Project, and (ii) Resolution No. 2020-05 of the Issuer adopted on January 8, 2020 (the "Delegation Resolution"), pursuant to which the Issuer authorized, among other things, the issuance of the Assessment Area 3 Bonds to pay all or a portion of the costs of the planning, financing, acquisition, construction, equipping and installation of the Assessment Area 3 Project, specifying the details of the Assessment Area 3 Bonds and awarding the Assessment Area 3 Bonds to the purchasers of the Assessment Area 3 Bonds.

"Substantially Absorbed" means the date at least 90% of the principal portion of the Assessment Area 3 Special Assessments have been assigned to residential units within the District that have received certificates of occupancy. The District shall present the Trustee with a certification that the Assessment Area 3 Special Assessments are Substantially Absorbed and the Trustee may rely conclusively upon such certification and shall have no duty to verify if the Assessment Area 3 Special Assessments are Substantially Absorbed.

"Underwriter" shall mean FMSbonds, Inc., the underwriter of the Assessment Area 3 Bonds.

The words "hereof," "herein," "hereto," "hereby," and "hereunder" (except in the form of Assessment Area 3 Bonds), refer to the entire Assessment Area 3 Indenture.

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

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

[END OF ARTICLE I]

# ARTICLE II THE ASSESSMENT AREA 3 BONDS

SECTION 2.01. <u>Amounts and Terms of Assessment Area 3 Bonds; Issue of Assessment Area 3 Bonds.</u> No Assessment Area 3 Bonds may be issued under this Third Supplemental Trust 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 Assessment Area 3 Bonds that may be issued under this Third Supplemental Trust Indenture is expressly limited to \$[\_\_\_\_]. The Assessment Area 3 Bonds shall be numbered consecutively from R-1 and upwards.
- (b) Any and all Assessment Area 3 Bonds shall be issued substantially in the form attached hereto as Exhibit B, with such appropriate variations, omissions and insertions as are permitted or required by the Assessment Area 3 Indenture and with such additional changes as may be necessary or appropriate to conform to the provisions of the Resolution. The Issuer shall issue the Assessment Area 3 Bonds upon execution of this Third Supplemental Trust Indenture and satisfaction of the requirements of Section 3.01 of the Master Indenture; and the Trustee shall, at the Issuer's request, authenticate such Assessment Area 3 Bonds and deliver them as specified in the request.

**SECTION 2.02.** <u>Execution</u>. The Assessment Area 3 Bonds shall be executed by the Issuer as set forth in the Master Indenture.

**SECTION 2.03.** <u>Authentication</u>. The Assessment Area 3 Bonds shall be authenticated as set forth in the Master Indenture. No Assessment Area 3 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 Assessment Area 3 Bonds.

- (a) The Assessment Area 3 Bonds are being issued hereunder in order to provide funds for the purposes of (i) paying all or a portion of the costs of the planning, financing, acquisition, construction, equipping and installation of the Assessment Area 3 Project, (ii) funding a deposit to the Assessment Area 3 Reserve Account in the amount of the Assessment Area 3 Reserve Requirement, (iii) paying a portion of the interest coming due on the Assessment Area 3 Bonds and (iv) paying the costs of issuance of the Assessment Area 3 Bonds. The Assessment Area 3 Bonds shall be designated "Highland Meadows West Community Development District Special Assessment Bonds, Series 2020A (Assessment Area 3 Project)," and shall be issued as fully registered Bonds without coupons in Authorized Denominations.
- (b) The Assessment Area 3 Bonds shall be dated as of the date of initial delivery. Interest on the Assessment Area 3 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the Assessment Area 3 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

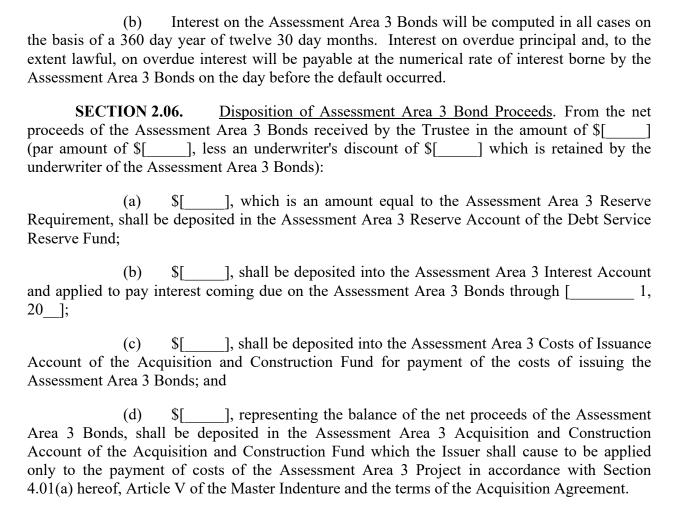
of authentication thereof is prior to [\_\_\_\_\_\_\_1, 20\_\_\_], in which case from the date of initial delivery or unless the date of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date.

Except as otherwise provided in Section 2.07 of this Third Supplemental Trust Indenture in connection with a book entry only system of registration of the Assessment Area 3 Bonds, the principal or Redemption Price of the Assessment Area 3 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 Assessment Area 3 Bonds. Except as otherwise provided in Section 2.07 of this Third Supplemental Trust Indenture in connection with a book entry only system of registration of the Assessment Area 3 Bonds, the payment of interest on the Assessment Area 3 Bonds shall be made on each Interest Payment Date to the Owners of the Assessment Area 3 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 Assessment Area 3 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 Assessment Area 3 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 Assessment Area 3 Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Record Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Record Date.

#### **SECTION 2.05.** Debt Service on the Assessment Area 3 Bonds.

(a) The Assessment Area 3 Bonds will mature on November 1 in the years and in the principal amounts, and bear interest at the rates all set forth below, subject to the right of prior redemption in accordance with their terms.

Year	Amount	<b>Interest Rate</b>	
	\$	0/0	



**SECTION 2.07.** <u>Book-Entry Form of Assessment Area 3 Bonds</u>. The Assessment Area 3 Bonds shall be issued as one fully registered bond for each maturity of Assessment Area 3 Bonds and deposited with The Depository Trust Company ("DTC"), New York, New York, which is responsible for establishing and maintaining records of ownership for its participants.

As long as the Assessment Area 3 Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes hereof and in the Master Indenture. The Assessment Area 3 Bonds shall not be required to be presented for payment. DTC shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"). The DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Assessment Area 3 Bonds ("Beneficial Owners").

Principal and interest on the Assessment Area 3 Bonds registered in the name of Cede & Co. prior to and at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to

Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Trustee or the Issuer.

Individuals may purchase beneficial interests in Authorized Denominations in bookentry-only form, without certificated Assessment Area 3 Bonds, through DTC Participants and Indirect Participants.

During the period for which Cede & Co. is registered owner of the Assessment Area 3 Bonds, any notices to be provided to any Beneficial Owner will be provided to Cede & Co. DTC shall be responsible for notices to DTC Participants and DTC Participants shall be responsible for notices to Indirect Participants, and DTC Participants and Indirect Participants shall be responsible for notices to Beneficial Owners.

The Issuer and the Trustee, if appropriate, shall enter into a blanket letter of representations with DTC providing for such book-entry-only system. Such agreement may be terminated at any time by either DTC or the Issuer in accordance with the procedures of DTC. In the event of such termination, the Issuer shall select another securities depository and in that event, all references herein to DTC or Cede & Co., shall be deemed to be for reference to such successor. If the Issuer does not replace DTC, the Trustee will register and deliver to the Beneficial Owners replacement Assessment Area 3 Bonds in the form of fully registered Assessment Area 3 Bonds in accordance with the instructions from Cede & Co.

In the event DTC, any successor of DTC or the Issuer, but only in accordance with the procedures of DTC, elects to discontinue the book-entry only system, the Trustee shall deliver bond certificates in accordance with the instructions from DTC or its successor and after such time Assessment Area 3 Bonds may be exchanged for an equal aggregate principal amount of Assessment Area 3 Bonds in other Authorized Denominations upon surrender thereof at the designated corporate trust office of the Trustee.

**SECTION 2.08.** Appointment of Registrar and Paying Agent. The Issuer shall keep, at the designated corporate trust office of the Registrar, books (the "Bond Register") for the registration, transfer and exchange of the Assessment Area 3 Bonds, and hereby appoints U.S. Bank National Association, as its Registrar to keep such books and make such registrations, transfers, and exchanges as required hereby. U.S. Bank National Association hereby accepts its appointment as Registrar and its duties and responsibilities as Registrar hereunder. Registrations, transfers and exchanges shall be without charge to the Bondholder requesting such registration, transfer or exchange, but such Bondholder shall pay any taxes or other governmental charges on all registrations, transfers and exchanges.

The Issuer hereby appoints U.S. Bank National Association as Paying Agent for the Assessment Area 3 Bonds. U.S. Bank National Association hereby accepts its appointment as Paying Agent and its duties and responsibilities as Paying Agent hereunder.

SECTION 2.09. <u>Conditions Precedent to Issuance of the Assessment Area 3</u> <u>Bonds</u>. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Assessment Area 3 Bonds, all the Assessment Area 3 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 Trust Indenture;
  - (c) Opinions of Counsel required by the Master Indenture;
- (d) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Assessment Area 3 Bonds, the Issuer will not be in default in the performance of the terms and provisions of the Master Indenture or this Third Supplemental Trust Indenture;
- (e) Copies of executed investor letters in the form attached hereto as Exhibit D if such investor letter is required, as determined by the Underwriter; and
- (f) Executed copies of the Arbitrage Certificate, the True-Up Agreement, the Acquisition Agreement, Declaration of Consent, the Completion Agreement, the Continuing Disclosure Agreement and the Collateral Assignment.

Payment to the Trustee of the net proceeds of the Assessment Area 3 Bonds shall be conclusive evidence that the foregoing conditions have been satisfied as to the Issuer and the Underwriter.

[END OF ARTICLE II]

## ARTICLE III REDEMPTION OF ASSESSMENT AREA 3 BONDS

SECTION 3.01. Redemption Dates and Prices. The Assessment Area 3 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 Assessment Area 3 Bonds shall be made on the dates hereinafter required. Except as otherwise provided in this Section 3.01, if less than all the Assessment Area 3 Bonds of a maturity are to be redeemed pursuant to an extraordinary mandatory redemption, the Trustee shall select the Assessment Area 3 Bonds or portions of the Assessment Area 3 Bonds to be redeemed by lot. Partial redemptions of Assessment Area 3 Bonds shall, to the extent possible, be made in such a manner that the remaining Assessment Area 3 Bonds held by each Bondholder shall be in Authorized Denominations, except for the last remaining Assessment Area 3 Bond.

The Assessment Area 3 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 Assessment Area 3 Bonds shall be made on the dates specified below. Upon any redemption of Assessment Area 3 Bonds other than in accordance with scheduled mandatory sinking fund redemptions, the Issuer shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Assessment Area 3 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Assessment Area 3 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Assessment Area 3 Bonds in any year. In the event of a redemption or purchase occurring less than 45 days prior to a date on which a mandatory sinking fund redemption payment is due, the foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

- [November 1, 20\_] may, at the option of the Issuer be called for redemption prior to maturity as a whole or in part, at any time, on or after [November 1, 20\_] (less than all Assessment Area 3 Bonds of a maturity to be selected by lot), at a Redemption Price equal to the principal amount of Assessment Area 3 Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date through which interest has been paid to the redemption date from moneys on deposit in the Assessment Area 3 Optional Redemption Subaccount of the Assessment Area 3 Bond Redemption Account. If such optional redemption shall be in part, the Issuer shall select such principal amount of Assessment Area 3 Bonds to be optionally redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 3 Bonds is substantially level.
- (b) <u>Extraordinary Mandatory Redemption in Whole or in Part</u>. The Assessment Area 3 Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole or in part, on any date (other than in the case of clause (i) below, which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a

Redemption Price equal to 100% of the principal amount of the Assessment Area 3 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

- (i) from Assessment Area 3 Prepayment Principal deposited into the Assessment Area 3 Prepayment Subaccount of the Assessment Area 3 Bond Redemption Account following the payment in whole or in part of Assessment Area 3 Special Assessments on any assessable property within the District in accordance with the provisions of Section 4.05(a) of this Third Supplemental Trust Indenture, together with any excess moneys transferred by the Trustee from the Assessment Area 3 Reserve Account to the Assessment Area 3 Prepayment Subaccount as a result of such Assessment Area 3 Prepayment and pursuant to Sections 4.01(f) and 4.05(a) of this Third Supplemental Trust Indenture. If such redemption shall be in part, the Issuer shall select such principal amount of Assessment Area 3 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 3 Bonds is substantially level;
- (ii) from moneys, if any, on deposit in the Assessment Area 3 Funds, Accounts and Subaccounts in the Funds and Accounts (other than the Assessment Area 3 Rebate Fund and the Assessment Area 3 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Assessment Area 3 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture; and
- (iii) upon the Completion Date, from any funds remaining on deposit in the Assessment Area 3 Acquisition and Construction Account in accordance with the provisions of Section 4.01(a) hereof, not otherwise reserved to complete the Assessment Area 3 Project and transferred to the Assessment Area 3 General Redemption Subaccount of the Assessment Area 3 Bond Redemption Account. If such redemption shall be in part, the Issuer shall select such principal amount of Assessment Area 3 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 3 Bonds is substantially level.
- (c) <u>Mandatory Sinking Fund Redemption</u>. The Assessment Area 3 Bonds maturing on [November 1, 20\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 3 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

	Year	Mandatory Sinking Fund Redemption Amount	
		\$	
	*		
* Maturity.	-		

The Assessment Area 3 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 3 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

	Year	Mandatory Sinking Fund Redemption Amount	
		\$	
	*		
* Maturity	_		

The Assessment Area 3 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 3 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

	Year	Mandatory Sinking Fund Redemption Amount
		\$
	*	
* Maturity		

The Assessment Area 3 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 3 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

## Year Mandatory Sinking Fund Redemption Amount

\$

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SECTION 3.02. <u>Notice of Redemption</u>. When required to redeem Assessment Area 3 Bonds under any provision of this Third Supplemental Trust Indenture or directed to redeem Assessment Area 3 Bonds by the Issuer, the Trustee shall give or cause to be given to Owners of the Assessment Area 3 Bonds to be redeemed, notice of the redemption, as set forth in Article VIII of the Master Indenture.

[END OF ARTICLE III]

<sup>\*</sup> Maturity

## ARTICLE IV ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS; ADDITIONAL COVENANTS OF THE ISSUER; PREPAYMENTS; REMOVAL OF ASSESSMENT AREA 3 SPECIAL ASSESSMENT LIENS

#### **SECTION 4.01.** Establishment of Certain Funds and Accounts.

The Trustee shall establish a separate account within the Acquisition and (a) Construction Fund designated as the "Assessment Area 3 Acquisition and Construction Account." Proceeds of the Assessment Area 3 Bonds shall be deposited into the Assessment Area 3 Acquisition and Construction Account in the amount set forth in Section 2.06 of this Third Supplemental Trust Indenture, together with any moneys transferred thereto, including moneys transferred from the Assessment Area 3 Reserve Account after satisfaction of the Conditions for Reduction of Reserve Requirement, and such moneys shall be applied as set forth in this Section 4.01(a) of this Third Supplemental Trust Indenture, Section 5.01 of the Master Indenture, and the Acquisition Agreement. Funds on deposit in the Assessment Area 3 Acquisition and Construction Account shall only be requested by the Issuer to be applied to the Costs of the Assessment Area 3 Project. Upon satisfaction of the Conditions for Reduction of Reserve Requirement, the amount on deposit in the Assessment Area 3 Reserve Account in excess of the Assessment Area 3 Reserve Requirement shall then be transferred to the Assessment Area 3 Acquisition and Construction Account and applied as provided in this Section 4.01(a).

After the Completion Date for the Assessment Area 3 Project, any moneys remaining in the Assessment Area 3 Acquisition and Construction Account after retaining costs to complete the Assessment Area 3 Project, shall be transferred to the Assessment Area 3 General Redemption Subaccount, as directed in writing by the Issuer or the District Manager, on behalf of the Issuer to the Trustee. Except as provided in Section 5.06 hereof, only upon presentment to the Trustee of a properly signed requisition in substantially the form attached hereto as Exhibit C, shall the Trustee withdraw moneys from the Assessment Area 3 Acquisition and Construction Account. After no funds remain therein, the Assessment Area 3 Acquisition and Construction Account shall be closed. Notwithstanding the foregoing, the Assessment Area 3 Acquisition and Construction Account shall not be closed until after the Conditions for Reduction of Reserve Requirement shall have occurred and the excess funds from the Assessment Area 3 Reserve Account shall have been transferred to the Assessment Area 3 Acquisition and Construction Account and applied in accordance with this Section 4.01(a) and Section 4.01(f) hereof. The Trustee shall not be responsible for determining the amounts in the Assessment Area 3 Acquisition and Construction Account allocable to the respective components of the Assessment Area 3 Project.

Pursuant to the Master Indenture, the Trustee shall establish a separate account within the Acquisition and Construction Fund designated as the "Assessment Area 3 Costs of Issuance Account." Proceeds of the Assessment Area 3 Bonds shall be deposited into the Assessment Area 3 Costs of Issuance Account in the amount set forth in Section 2.06 of this Third Supplemental Trust Indenture. Upon presentment to the Trustee of a properly signed requisition in substantially the form attached hereto as Exhibit C, the Trustee shall withdraw moneys from the Assessment Area 3 Costs of Issuance Account to pay the costs of issuing the

Assessment Area 3 Bonds. Six months after the issuance of the Assessment Area 3 Bonds, any moneys remaining in the Assessment Area 3 Costs of Issuance Account in excess of the amounts requested to be disbursed by the Issuer shall be deposited into the Assessment Area 3 Interest Account and the Assessment Area 3 Costs of Issuance Account shall be closed. Any deficiency in the amount allocated to pay the cost of issuing the Assessment Area 3 Bonds shall be paid from excess Assessment Area 3 Pledged Revenues on deposit in the Assessment Area 3 Revenue Account, as provided in Section 4.02 FIFTH. After no funds remain therein, the Assessment Area 3 Costs of Issuance Account shall be closed.

(b) Pursuant to Section 6.03 of the Master Indenture, the Trustee shall establish a separate Account within the Revenue Fund designated as the "Assessment Area 3 Revenue Account." Assessment Area 3 Special Assessments (except for Prepayments of Assessment Area 3 Special Assessments which shall be identified as such by the Issuer to the Trustee and deposited in the Assessment Area 3 Prepayment Subaccount) shall be deposited by the Trustee into the Assessment Area 3 Revenue Account which shall be applied as set forth in Section 6.03 of the Master Indenture and Section 4.02 of this Third Supplemental Trust Indenture. The Trustee may conclusively rely that unless expressly indicated in writing by the District as a Prepayment upon deposit thereof with the Trustee, payments of Assessment Area 3 Special Assessments are to be deposited into the Assessment Area 3 Revenue Account.

#### (c) [RESERVED].

- (d) Pursuant to Section 6.04 of the Master Indenture and Section 4.02 of this Third Supplemental Trust Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Assessment Area 3 Interest Account." Moneys deposited into the Assessment Area 3 Interest Account pursuant to Section 6.04 of the Master Indenture and Sections 2.06 and 4.02 of this Third Supplemental Trust Indenture, shall be applied for the purposes provided therein and used to pay interest on the Assessment Area 3 Bonds.
- (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 "Assessment Area 3 Sinking Fund Account." Moneys shall be deposited into the Assessment Area 3 Sinking Fund Account as provided in Section 6.04 of the Master Indenture and Section 4.02 of this Third Supplemental Trust Indenture, and applied for the purposes provided therein and in Section 3.01(c) of this Third Supplemental Trust Indenture.
- (f) Pursuant to Section 6.05 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Reserve Fund designated as the "Assessment Area 3 Reserve Account." Proceeds of the Assessment Area 3 Bonds shall be deposited into the Assessment Area 3 Reserve Account in the amount set forth in Section 2.06 of this Third Supplemental Trust Indenture, and such moneys, together with any other moneys deposited into the Assessment Area 3 Reserve Account shall be applied for the purposes provided in the Master Indenture and in this Section 4.01(f) and Section 4.05 of this Third Supplemental Trust Indenture. Notwithstanding any provisions in the Master Indenture to the contrary, the Issuer covenants not to substitute the cash and Investment Obligations on deposit in the Assessment Area 3 Reserve Account with a Debt Service Reserve Insurance Policy or a Debt

Service Reserve Letter of Credit. Except as provided in the next paragraph, all investment earnings on moneys in the Assessment Area 3 Reserve Account shall remain on deposit therein.

On each March 15 and September 15 (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the Assessment Area 3 Reserve Account and transfer any excess therein above the Reserve Requirement for the Assessment Area 3 Bonds caused by investment earnings to the Assessment Area 3 Revenue Account in accordance with Section 4.02 hereof.

In the event of a prepayment of Assessment Area 3 Special Assessments in accordance with Section 4.05(a) of this Third Supplemental Trust Indenture, 45 days before the next Quarterly Redemption Date, the Trustee shall recalculate the Assessment Area 3 Reserve Requirement taking into account the amount of Assessment Area 3 Bonds that will be outstanding as result of such prepayment of Assessment Area 3 Special Assessments, and cause the amount on deposit in the Assessment Area 3 Reserve Account in excess of the Assessment Area 3 Reserve Requirement, resulting from Assessment Area 3 Prepayment Principal, to be transferred to the Assessment Area 3 Prepayment Subaccount to be applied toward the extraordinary redemption of Assessment Area 3 Bonds in accordance with Section 3.01(b)(i), as a credit against the Assessment Area 3 Prepayment Principal otherwise required to be made by the owner of such property subject to Assessment Area 3 Special Assessments. Upon satisfaction of the Conditions for Reduction of Reserve Requirement, the amount on deposit in the Assessment Area 3 Reserve Account in excess of the Assessment Area 3 Reserve Requirement shall then be transferred to the Assessment Area 3 Acquisition and Construction Account and applied as provided in Section 4.01(a) hereof.

Notwithstanding any of the foregoing, amounts on deposit in the Assessment Area 3 Reserve Account shall be transferred by the Trustee, in the amounts directed in writing by the Majority Holders of the Assessment Area 3 Bonds to the Assessment Area 3 General Redemption Subaccount, if as a result of the application of Article X of the Master Indenture, the proceeds received from lands sold subject to the Assessment Area 3 Special Assessments and applied to redeem a portion of the Assessment Area 3 Bonds is less than the principal amount of Assessment Area 3 Bonds indebtedness attributable to such lands.

- (g) Pursuant to Section 6.06 of the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Account within the Bond Redemption Fund designated as the "Assessment Area 3 Bond Redemption Account" and within such Account, a "Assessment Area 3 General Redemption Subaccount," a "Assessment Area 3 Optional Redemption Subaccount," and a "Assessment Area 3 Prepayment Subaccount." Except as otherwise provided in this Third Supplemental Trust Indenture regarding Prepayments or in connection with the optional redemption of the Assessment Area 3 Bonds, moneys to be deposited into the Assessment Area 3 Bond Redemption Account as provided in Section 6.06 of the Master Indenture, shall be deposited to the Assessment Area 3 General Redemption Subaccount.
- (h) Moneys that are deposited into the Assessment Area 3 General Redemption Subaccount (including all earnings on investments held therein) shall be used to call for the extraordinary mandatory redemption (i) in whole, pursuant to Section 3.01(b)(ii) hereof,

the Outstanding amount of Assessment Area 3 Bonds, or (ii) in whole or in part pursuant to Section 3.01(b)(iii) hereof, the redeemed amount of Assessment Area 3 Bonds equal to the amount of money transferred from the Assessment Area 3 Acquisition and Construction Account pursuant to Section 3.01(b)(iii) and Section 4.01(a) hereof.

- Moneys in the Assessment Area 3 Prepayment Subaccount (including all earnings on investments held in such Assessment Area 3 Prepayment Subaccount) shall be accumulated therein to be used to call for redemption pursuant to Section 3.01(b)(i) hereof an amount of Assessment Area 3 Bonds equal to the amount of money transferred to the Assessment Area 3 Prepayment Subaccount of the Assessment Area 3 Bond Redemption Account for the purpose of such extraordinary mandatory redemption on the dates and at the price provided in such Section 3.01(b)(i) hereof. In addition, and together with the moneys transferred from the Assessment Area 3 Reserve Account pursuant to paragraph (f) above, if the amount on deposit in the Assessment Area 3 Prepayment Subaccount is not sufficient to redeem a principal amount of the Assessment Area 3 Bonds in an Authorized Denomination, the Trustee upon written direction from the Issuer, shall be authorized to withdraw amounts from the Assessment Area 3 Revenue Account to deposit to the Assessment Area 3 Prepayment Subaccount to round-up the amount to the nearest Authorized Denomination. Notwithstanding the foregoing, no transfers from the Assessment Area 3 Revenue Account shall be directed by the Issuer to pay interest on and/or principal for the Assessment Area 3 Bonds for the redemption pursuant to Section 3.01(b)(i) if as a result the deposits required under Section 4.02 FIRST through FIFTH cannot be made in full.
- (j) The Issuer hereby directs the Trustee to establish a separate account in the Rebate Fund designated as the "Assessment Area 3 Rebate Account." Moneys shall be deposited into the Assessment Area 3 Rebate Account, as provided in the Arbitrage Certificate and applied for the purposes provided therein.
- (k) Moneys on deposit in the Assessment Area 3 Optional Redemption Subaccount shall be used to optionally redeem all or a portion of the Assessment Area 3 Bonds pursuant to Section 3.01(a) hereof.
- **SECTION 4.02.** <u>Assessment Area 3 Revenue Account.</u> The Trustee shall transfer from amounts on deposit in the Assessment Area 3 Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, upon receipt but no later than the Business Day next preceding each Interest Payment Date, commencing [\_\_ 1, 20\_\_], to the Assessment Area 3 Interest Account of the Debt Service Fund, an amount equal to the interest on the Assessment Area 3 Bonds becoming due on the next succeeding Interest Payment Date, less any amount on deposit in the Assessment Area 3 Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each November 1, commencing [November 1, 20\_\_], to the Assessment Area 3 Sinking Fund Account, an amount equal to the principal amount of Assessment Area 3 Bonds subject to sinking

fund redemption on such November 1, less any amount on deposit in the Assessment Area 3 Sinking Fund Account not previously credited;

THIRD, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Assessment Area 3 Bonds remain Outstanding, to the Assessment Area 3 Reserve Account, an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Reserve Requirement for the Assessment Area 3 Bonds;

FOURTH, notwithstanding the foregoing, at any time the Assessment Area 3 Bonds are subject to redemption on a date which is not a May 1 or November 1 Interest Payment Date, the Trustee shall be authorized to transfer to the Assessment Area 3 Interest Account, the amount necessary to pay interest on the Assessment Area 3 Bonds subject to redemption on such date; and

FIFTH, subject to the foregoing paragraphs, the balance of any moneys remaining after making the foregoing deposits shall be first deposited into the Assessment Area 3 Costs of Issuance Account upon the written request of the Issuer to cover any deficiencies in the amount allocated to pay the cost of issuing the Assessment Area 3 Bonds and next, any balance in the Assessment Area 3 Revenue Account shall remain on deposit in such Assessment Area 3 Revenue Account, unless needed for the purposes of rounding the principal amount of an Assessment Area 3 Bond subject to extraordinary mandatory redemption pursuant to 4.01(i) hereof to an Authorized Denomination, or unless pursuant to the Arbitrage Certificate, it is necessary to make a deposit into the Assessment Area 3 Rebate Fund, in which case, the Issuer shall direct the Trustee to make such deposit thereto.

SECTION 4.03. Power to Issue Assessment Area 3 Bonds and Create Lien. The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Assessment Area 3 Bonds, to execute and deliver the Assessment Area 3 Indenture and to pledge the Assessment Area 3 Pledged Revenues for the benefit of the Assessment Area 3 Bonds to the extent set forth herein. The Assessment Area 3 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 Assessment Area 3 Bonds, except as otherwise permitted under the Master Indenture and Section 5.04 hereof. The Assessment Area 3 Bonds and the provisions of the Assessment Area 3 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 Assessment Area 3 Indenture and all the rights of the Owners of the Assessment Area 3 Bonds under the Assessment Area 3 Indenture against all claims and demands of all persons whomsoever.

SECTION 4.04. Assessment Area 3 Project to Conform to Consulting Engineers Report. Simultaneously with the issuance of the Assessment Area 3 Bonds, the Issuer will promptly proceed to construct or acquire the Assessment Area 3 Project, as described in Exhibit A hereto and in the Consulting Engineers Report relating thereto, all pursuant to the terms and provisions of the Acquisition Agreement.

# SECTION 4.05. <u>Prepayments; Removal of Assessment Area 3 Special Assessment</u> Liens.

- (a) At any time any owner of property subject to the Assessment Area 3 Special Assessments may, at its option, or as a result of acceleration of the Assessment Area 3 Special Assessments because of non-payment thereof, shall, or by operation of law, require the Issuer to reduce or release and extinguish the lien upon its property by virtue of the levy of the Assessment Area 3 Special Assessments by paying or causing there to be paid, to the Issuer all or a portion of the Assessment Area 3 Special Assessment, which shall constitute Assessment Area 3 Prepayment Principal, plus, except as provided below, accrued interest to the next succeeding Quarterly Redemption Date (or the first succeeding Quarterly Redemption Date that is at least 45 days after such prepayment, if such Prepayment is made within 45 calendar days before the next succeeding Quarterly Redemption Date, as the case may be), attributable to the property subject to Assessment Area 3 Special Assessments owned by such owner. To the extent that such prepayments are to be used to redeem Assessment Area 3 Bonds pursuant to Section 3.01(b)(i) hereof, in the event the amount on deposit in the Assessment Area 3 Reserve Account will exceed the Assessment Area 3 Reserve Requirement for the Assessment Area 3 Bonds as a result of a prepayment in accordance with this Section 4.05(a) and the resulting extraordinary mandatory redemption in accordance with Section 3.01(b)(i) of this Third Supplemental Trust Indenture of Assessment Area 3 Bonds, the excess amount shall be transferred from the Assessment Area 3 Reserve Account to the Assessment Area 3 Prepayment Subaccount, as a credit against the Assessment Area 3 Prepayment Principal otherwise required to be paid by the owner of such lot or parcel, upon written instructions of the Issuer together with a certificate of a Responsible Officer of the Issuer stating that, after giving effect to such transfers sufficient moneys will be on deposit in the Assessment Area 3 Reserve Account to equal or exceed the Assessment Area 3 Reserve Requirement.
- (b) Upon receipt of Assessment Area 3 Prepayment Principal as described in paragraph (a) above, subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such action as is necessary to record in the official improvement lien book of the District that the Assessment Area 3 Special Assessment has been paid in whole or in part and that such Assessment Area 3 Special Assessment lien is thereby reduced, or released and extinguished, as the case may be.

The Trustee may conclusively rely on the Issuer's determination of what moneys constitute Prepayments. The Trustee shall calculate the amount available for the extraordinary mandatory redemption of the applicable Assessment Area 3 Bonds pursuant to Section 3.01(b)(i) forty-five (45) days prior to each Quarterly Redemption Date.

[END OF ARTICLE IV]

## ARTICLE V COVENANTS AND DESIGNATIONS OF THE ISSUER

SECTION 5.01. Collection of Assessment Area 3 Special Assessments. Pursuant to the terms and provisions of the Master Indenture, the Issuer shall collect the Assessment Area 3 Special Assessments relating to the acquisition and construction of the Assessment Area 3 Project through the Uniform Method of Collection (the "Uniform Method") afforded by Chapter 197, Florida Statutes. Pursuant to the terms and provisions of the Master Indenture, the Issuer shall, pursuant to the provisions of the Assessment Resolutions, directly collect the Assessment Area 3 Special Assessments levied in lieu of the Uniform Method with respect to any lands within Assessment Area 3 Area that have not been platted, unless the Trustee with the consent of the Majority Holders provide otherwise. In addition, and not in limitation of, the covenants contained elsewhere in this Third Supplemental Trust Indenture and in the Master Indenture, the Issuer covenants to comply with the terms of the proceedings heretofore adopted with respect to the Assessment Area 3 Special Assessments, and to levy and collect the Assessment Area 3 Special Assessments and any required true-up payments set forth in the assessment methodology or True-Up Agreement in such manner as will generate funds sufficient to pay Debt Service on the Assessment Area 3 Bonds when due. The assessment methodology shall not be amended without the written consent of the Majority Holder.

SECTION 5.02. <u>Continuing Disclosure</u>. Contemporaneously with the execution and delivery hereof, the Issuer and the Assessment Area 3 Landowner has executed and delivered a Continuing Disclosure Agreement in order to assist the Underwriter in complying with the requirements of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934. The Issuer covenants and agrees to comply with the provisions of the Continuing Disclosure Agreement applicable to it; however, as set forth therein, failure to so comply shall not constitute and Event of Default hereunder, but shall instead be enforceable by mandamus or any other means of specific performance.

**SECTION 5.03.** <u>Investment of Funds and Accounts</u>. The provisions of Section 7.02 of the Master Indenture shall apply to the investment and reinvestment of moneys in the Assessment Area 3 funds, accounts and subaccounts therein created hereunder.

SECTION 5.04. Additional Bonds. The Issuer covenants not to issue any other Bonds or other debt obligations secured by the Assessment Area 3 Special Assessments. In addition, the Issuer covenants not to issue any other Bonds or debt obligations for capital projects, secured by Special Assessments on the assessable lands within Assessment Area 3 that are subject to the Assessment Area 3 Special Assessments, until the Assessment Area 3 Special Assessments are Substantially Absorbed. The District shall present the Trustee with a certification that the Assessment Area 3 Special Assessments are Substantially Absorbed and the Trustee may rely conclusively upon such certification and shall have no duty to verify if the Assessment Area 3 Special Assessments are Substantially Absorbed. In the absence of such written certification, the Trustee is entitled to assume that the Assessment Area 3 Special Assessments have not been Substantially Absorbed. Such covenant shall not prohibit the Issuer from issuing refunding Bonds or any Bonds or other obligations for District Lands outside of Assessment Area 3, to finance any other capital project that is necessary to remediate any natural disaster, catastrophic damage or failure with respect to the Assessment Area 3 Project.

**SECTION 5.05.** Requisite Owners for Direction or Consent. Anything in the Master Indenture to the contrary notwithstanding, any direction or consent or similar provision which requires fifty-one percent of the Owners, shall in each case be deemed to refer to, and shall mean, the Majority Holders.

SECTION 5.06. Acknowledgement Regarding Assessment Area 3 Acquisition and Construction Account Moneys Following an Event of Default. In accordance with the provisions of the Assessment Area 3 Indenture, upon the occurrence of an Event of Default with respect to the Assessment Area 3 Bonds, the Assessment Area 3 Bonds are payable solely from the Assessment Area 3 Pledged Revenues and any other moneys held by the Trustee under the Assessment Area 3 Indenture for such purpose. Anything in the Assessment Area 3 Indenture to the contrary notwithstanding, the Issuer hereby acknowledges that, upon the occurrence of an Event of Default with respect to the Assessment Area 3 Bonds, (i) the Assessment Area 3 Pledged Revenues includes, without limitation, all amounts on deposit in the Assessment Area 3 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) the Assessment Area 3 Pledged Revenues may not be used by the Issuer (whether to pay costs of the Assessment Area 3 Project or otherwise) without the consent of the Majority Holder and (iii) the Assessment Area 3 Pledged Revenues may be used by the Trustee, at the direction or with the approval of the Majority Holder, to pay costs and expenses incurred in connection with the pursuit of remedies under the Assessment Area 3 Indenture, provided, however notwithstanding anything herein to the contrary the Trustee is also authorized to utilize the Assessment Area 3 Pledged Revenues to pay fees and expenses as provided in Section 10.12 of the Master Indenture.

[END OF ARTICLE V]

#### ARTICLE VI THE TRUSTEE; THE PAYING AGENT AND REGISTRAR

**SECTION 6.01.** Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created and agrees to perform such trusts upon the terms and conditions set forth in the Assessment Area 3 Indenture. The Trustee agrees to act as Paying Agent, Registrar and Authenticating Agent for the Assessment Area 3 Bonds.

**SECTION 6.02.** Trustee's Duties. The Trustee shall not be responsible in any manner for the due execution of this Third Supplemental Trust Indenture by the Issuer or for the recitals contained herein (except for the certificate of authentication on the Assessment Area 3 Bonds), all of which are made solely by the Issuer. Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlement inuring to the Trustee under the Master Indenture.

[END OF ARTICLE VI]

#### ARTICLE VII MISCELLANEOUS PROVISIONS

- SECTION 7.01. <u>Interpretation of Third Supplemental Trust Indenture</u>. This Third Supplemental Trust Indenture amends and supplements the Master Indenture with respect to the Assessment Area 3 Bonds, and all of the provisions of the Master Indenture, to the extent not inconsistent herewith, are incorporated in this Third Supplemental Trust Indenture by reference. To the maximum extent possible, the Master Indenture and the Third Supplemental Trust Indenture shall be read and construed as one document.
- **SECTION 7.02.** <u>Amendments</u>. Any amendments to this Third Supplemental Trust Indenture shall be made pursuant to the provisions for amendment contained in the Master Indenture.
- **SECTION 7.03.** Counterparts. This Third Supplemental Trust Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.
- **SECTION 7.04.** Appendices and Exhibits. Any and all schedules, appendices or exhibits referred to in and attached to this Third Supplemental Trust Indenture are hereby incorporated herein and made a part of this Third Supplemental Trust Indenture for all purposes.
- SECTION 7.05. Payment Dates. In any case in which an Interest Payment Date or the maturity date of the Assessment Area 3 Bonds or the date fixed for the redemption of any Assessment Area 3 Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.
- **SECTION 7.06.** <u>No Rights Conferred on Others</u>. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Assessment Area 3 Bonds, and no other person is intended to be a third party beneficiary hereof to be entitled to assert or preserve any claim hereunder.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK – SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Highland Meadows West Community Development District has caused this Third Supplemental Trust Indenture to be executed by the Chairperson of its Board of Supervisors and its corporate seal to be hereunto affixed and attested by the Secretary of its Board of Supervisors and U.S. Bank National Association has caused this Third Supplemental Trust Indenture to be executed by one of its authorized signatories, all as of the day and year first above written.

[SEAL]	HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT
Attest:	
	By:
D	Name: Warren K. Heath II
By: Name:    Jill Burns	<ul> <li>Title: Chairperson, Board of Supervisors</li> </ul>
Title: Secretary, Board of Supervisors	
	U.S. BANK NATIONAL ASSOCIATION,
	as Trustee, Paying Agent and Registrar
	By:
	Name: Stacey L. Johnson
	Title: Vice President

# EXHIBIT A DESCRIPTION OF ASSESSMENT AREA 3 PROJECT

Improvements constituting Phase 1 were financed by the \$6,385,000 Highland Meadows West Community Development District Special Assessment Bonds, Series 2019 previously issued by the District. The Assessment Area 3 Project includes, but is not limited to, Phase 3 of the following improvements, comprising Assessment Area 3:

<u>Infrastructure</u> <sup>(1)(9)</sup>	<u>Phase 1</u> (266 Lots) 2019-2020	Phase 2 (130 Lots) 2020-2021	<u>Phase 3</u> (46 Lots) 2020-2021	<u>Total</u> (442 Lots)
Offsite Improvements <sup>(5)(6)</sup>	\$ 270,000	\$ 118,000	\$ 42,000	\$ 430,000
Stormwater Management <sup>(2)(3)(5)(6)</sup>	1,149,000	560,000	200,000	1,909,000
Utilities (Water, Sewer, & Street Lighting) (5)(6)(8)	1,975,000	970,000	350,000	3,295,000
Roadway <sup>(4)(5)(6)</sup>	995,000	490,000	200,000	1,685,000
Entry Feature & Signage (6)(7)	440,000	210,000	20,000	670,000
Amenity Center <sup>(1)(6)</sup>	412,894	201,790	70,000	684,684
Parks and Recreation Facilities <sup>(1)(6)</sup>	127,106	58,210	20,000	205,316
Contingency	540,000	238,000	78,000	856,000
TOTAL	\$5,909,000	\$2,846,000	\$980,000	\$9,735,000

#### Notes:

- 1. Infrastructure consists of public roadway improvements, stormwater management facilities, master sanitary sewer lift station and utilities, entry feature, landscaping and signage, and neighborhood parks.
- 2. Excludes grading of each lot for initial pad construction, lot finishing and in conjunction with home construction, which will be provided by home builder.
- 3. Includes stormwater pond excavation. Costs do not include transportation to or placement of fill on private property.
- 4. Includes sub-grade, base, asphalt paving, curbing, and civil/site engineering of public roads.
- 5. Includes subdivision infrastructure and civil/site engineering.
- 6. Estimates are based on 2019 cost.
- 7. Includes entry features, signage, hardscape, landscape, irrigation and fencing.
- 8. CDD will enter into a Lighting Agreement with Duke Energy for the street light poles and lighting service. Only undergrounding of wires in public right-of-way and on District land is included.
- 9. Estimates based on Master Infrastructure to support development of 442 lots.

Source: Highland Meadows West Community Development District Engineer's Report for Capital Improvements dated as of July, 2018, as amended and supplemented by the Second Supplemental Engineer's Report for Capital Improvements dated January 8, 2020, each prepared by Wood & Associates Engineering, LLC.

#### **EXHIBIT B**

#### [FORM OF ASSESSMENT AREA 3 BOND]

**R-1** 

# UNITED STATES OF AMERICA STATE OF FLORIDA HAINES CITY, FLORIDA HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BOND SERIES 2020A (ASSESSMENT AREA 3 PROJECT)

Interest Rate	Maturity Date	<u>Date of Original Issuance</u>	<u>CUSIP</u>
%	November 1, 20	, 2020	43038H

Registered Owner: CEDE & CO.

**Principal Amount:** 

KNOW ALL PERSONS BY THESE PRESENTS that the Highland Meadows West Community Development District (the "Issuer"), for value received, hereby promises to pay to the registered owner shown above or registered assigns, on the date specified above, from the sources hereinafter mentioned, 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), said principal payable on the Maturity Date set forth above. Principal of and interest on this Bond are payable by U.S. Bank National Association, in Orlando, 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") made payable to the registered owner and mailed on each Interest Payment Date commencing [ 1, 20 ] to the address of the registered owner as such name and address shall appear on the registry books of the Issuer maintained by U.S. Bank National Association, as Registrar (said U.S. Bank National Association and any successor Registrar being herein called the "Registrar") at the close of business on the fifteenth day 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"), provided however presentation is not required for payment while the Assessment Area 3 Bonds are registered in book-entry only form. 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 [ 1, 20 ], in which case from the date of initial delivery, or unless the date of authentication hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Record Date and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by 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 Assessment Area 3 Indenture (defined below). Any capitalized term used in this Bond and not otherwise defined shall have the meaning ascribed to such term in the Assessment Area 3 Indenture.

THE ASSESSMENT AREA 3 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY OUT OF THE ASSESSMENT AREA 3 PLEDGED REVENUES PLEDGED THEREFOR UNDER THE ASSESSMENT AREA 3 INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE ISSUER, HAINES CITY, FLORIDA (THE "CITY"), POLK COUNTY, FLORIDA (THE "COUNTY"), THE STATE OF FLORIDA (THE "STATE"), OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE ASSESSMENT AREA 3 BONDS, EXCEPT THAT THE ISSUER IS OBLIGATED UNDER THE ASSESSMENT AREA 3 INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, ASSESSMENT AREA 3 SPECIAL ASSESSMENTS (AS DEFINED IN THE ASSESSMENT AREA 3 INDENTURE) TO SECURE AND PAY THE ASSESSMENT AREA 3 BONDS. THE ASSESSMENT AREA 3 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE CITY, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Assessment Area 3 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 Assessment Area 3 Indenture, of the certificate of authentication endorsed hereon.

This Bond is one of an authorized issue of Assessment Area 3 Bonds of the Highland Meadows West Community Development District, a community development district duly created, organized and existing under Chapter 190, Florida Statutes (the Uniform Community Development District Act of 1980), as amended (the "Act"), Ordinance No. 18-045 enacted by the Board of County Commissioners of Polk County, Florida on July 10, 2018, designated as "Highland Meadows West Community Development District Special Assessment Bonds, Series 2020A (Assessment Area 3 Project) (the "Assessment Area 3 Bonds"), in the aggregate principal and 00/100 Dollars (\$[ ] of like date, tenor and effect, except as to number. The Assessment Area 3 Bonds are being issued under authority of the laws and Constitution of the State, including particularly the Act, to pay, among other things, the costs of constructing and/or acquiring a portion of the Assessment Area 3 Project (as defined in the herein referred to Assessment Area 3 Indenture). The Assessment Area 3 Bonds shall be issued as fully registered Assessment Area 3 Bonds in authorized denominations, as set forth in the Assessment Area 3 Indenture. The Assessment Area 3 Bonds are issued under and secured by a Master Trust Indenture dated as of April 1, 2019 (the "Master Indenture"), as supplemented by a Third Supplemental Trust Indenture dated as of [\_\_\_\_\_\_, 2020] (the "Third Supplemental Trust Indenture" and together with the Master Indenture, the "Assessment Area 3 Indenture"), each by and between the Issuer and the Trustee, executed counterparts of which are on file at the designated corporate trust office of the Trustee in Orlando, Florida.

Reference is hereby made to the Assessment Area 3 Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Assessment Area 3 Bonds issued under the Assessment Area 3 Indenture, the operation and application of the Assessment Area 3 Reserve Account within the Reserve Fund and other Funds and Accounts (each as defined in the Assessment Area 3 Indenture) charged with and pledged to the payment of the principal of and the interest on the Assessment Area 3 Bonds, the levy and the evidencing and certifying for collection, of the Assessment Area 3 Special Assessments, the nature and extent of the security for the Assessment Area 3 Bonds, the terms and conditions on which the Assessment Area 3 Bonds are issued, the rights, duties and obligations of the Issuer and of the Trustee under the Assessment Area 3 Indenture, the conditions under which such Assessment Area 3 Indenture may be amended without the consent of the registered owners of the Assessment Area 3 Indenture may be amended with the consent of the registered owners of a majority in aggregate principal amount of the Assessment Area 3 Bonds outstanding, and as to other rights and remedies of the registered owners of the Assessment Area 3 Bonds.

The owner of this Bond shall have no right to enforce the provisions of the Assessment Area 3 Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Assessment Area 3 Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Assessment Area 3 Indenture.

It is expressly agreed by the owner of this Bond that such owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, the City, the County, the State or any other political subdivision thereof, or taxation in any form of any real or personal property of the Issuer, the City, the County, the State or any other political subdivision thereof, for the payment of the principal of and interest on this Bond or the making of any other sinking fund and other payments provided for in the Assessment Area 3 Indenture, except for Assessment Area 3 Special Assessments to be assessed and levied by the Issuer as set forth in the Assessment Area 3 Indenture.

By the acceptance of this Bond, the owner hereof assents to all the provisions of the Assessment Area 3 Indenture.

This Bond is payable from and secured by Assessment Area 3 Pledged Revenues, as such term is defined in the Assessment Area 3 Indenture, all in the manner provided in the Assessment Area 3 Indenture provides for the levy and the evidencing and certifying, of non-ad valorem assessments in the form of Assessment Area 3 Special Assessments to secure and pay the Assessment Area 3 Bonds.

The Assessment Area 3 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 Assessment Area 3 Bonds shall be made on the dates specified below. Upon any redemption of Assessment Area 3 Bonds other than in accordance with scheduled mandatory sinking fund redemption, the Issuer shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Assessment Area 3 Bonds in substantially equal annual installments of

principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Assessment Area 3 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Assessment Area 3 Bonds in any year. In the event of a redemption or purchase occurring less than 45 days prior to a date on which a mandatory sinking fund redemption payment is due, the foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption or purchase occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

#### Optional Redemption

The Assessment Area 3 Bonds maturing after [November 1, 20\_] may, at the option of the Issuer be called for redemption prior to maturity as a whole or in part, at any time, on or after [November 1, 20\_] (less than all Assessment Area 3 Bonds of a maturity to be selected by lot), at a Redemption Price equal to the principal amount of Assessment Area 3 Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date through which interest has been paid to the redemption date from moneys on deposit in the Assessment Area 3 Optional Redemption Subaccount of the Assessment Area 3 Bond Redemption Account. If such optional redemption shall be in part, the Issuer shall select such principal amount of Assessment Area 3 Bonds to be optionally redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 3 Bonds is substantially level.

#### Extraordinary Mandatory Redemption in Whole or in Part

The Assessment Area 3 Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole or in part, on any date (other than in the case of clause (i) below, which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Assessment Area 3 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

- (i) from Assessment Area 3 Prepayment Principal deposited into the Assessment Area 3 Prepayment Subaccount of the Assessment Area 3 Bond Redemption Account following the payment in whole or in part of Assessment Area 3 Special Assessments on any assessable property within the District in accordance with the provisions of Section 4.05(a) of the Third Supplemental Trust Indenture, together with any excess moneys transferred by the Trustee from the Assessment Area 3 Reserve Account to the Assessment Area 3 Prepayment Subaccount as a result of such Assessment Area 3 Prepayment and pursuant to Sections 4.01(f) and 4.05(a) of the Third Supplemental Trust Indenture. If such redemption shall be in part, the Issuer shall select such principal amount of Assessment Area 3 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 3 Bonds is substantially level;
- (ii) from moneys, if any, on deposit in the Assessment Area 3 Funds, Accounts and Subaccounts in the Funds and Accounts (other than the Assessment Area 3 Rebate Fund and the Assessment Area 3 Acquisition and Construction Account) sufficient to pay and

redeem all Outstanding Assessment Area 3 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture; and

(iii) upon the Completion Date, from any funds remaining on deposit in the Assessment Area 3 Acquisition and Construction Account not otherwise reserved to complete the Assessment Area 3 Project and transferred to the Assessment Area 3 General Redemption Subaccount of the Assessment Area 3 Bond Redemption Account. If such redemption shall be in part, the Issuer shall select such principal amount of Assessment Area 3 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 3 Bonds is substantially level.

### Mandatory Sinking Fund Redemption

\*

The Assessment Area 3 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 3 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

	Year	Mandatory Sinking Fund Redemption Amount
		\$
	*	
Maturity.	-	

The Assessment Area 3 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 3 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

	Year	Mandatory Sinking Fund Redemption Amount
		\$
	*	
* Maturity.	-	

The Assessment Area 3 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 3 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

	Year	Mandatory Sinking Fund Redemption Amount
		\$
	*	
Maturity.		

The Assessment Area 3 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 3 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

Mandatawa Sinking Eund

Year	Redemption Amount
	\$
*	
•	

\* Maturity.

\*

Except as otherwise provided in the Assessment Area 3 Indenture, if less than all of the Assessment Area 3 Bonds subject to redemption shall be called for redemption, the particular such Assessment Area 3 Bonds or portions of such Assessment Area 3 Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Assessment Area 3 Indenture.

Notice of each redemption of the Assessment Area 3 Bonds is required to be mailed by the Registrar, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to each Registered Owner of the Assessment Area 3 Bonds to be redeemed at the address of such Registered Owner recorded on the bond register maintained by the Registrar. The Issuer may provide that the any optional redemption of Assessment Area 3 Bonds issued under the Assessment Area 3 Indenture may be subject to certain conditions; provided that the notice of such conditional optional redemption must expressly state that such optional redemption is conditional and describe the conditions for such redemption. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Assessment Area 3 Indenture, the Assessment Area 3 Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Assessment Area 3 Bonds or such portions thereof on such date, interest on such Assessment Area 3 Bonds or such portions thereof so called for redemption shall cease to accrue, such Assessment Area 3 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Assessment Area 3 Indenture and the Owners thereof shall have no rights in respect of such Assessment Area 3 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Registrar to certain registered securities depositories and information services as set forth in the Assessment Area 3 Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

The Owner of this Bond shall have no right to enforce the provisions of the Assessment Area 3 Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Assessment Area 3 Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Assessment Area 3 Indenture.

In certain events, on the conditions, in the manner and with the effect set forth in the Assessment Area 3 Indenture, the principal of all the Assessment Area 3 Bonds then Outstanding under the Assessment Area 3 Indenture may become and may be declared due and payable before the stated maturity thereof, with the interest accrued thereon.

Modifications or alterations of the Assessment Area 3 Indenture or of any Assessment Area 3 Indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Assessment Area 3 Indenture.

Any moneys held by the Trustee or Paying Agent in trust for the payment and discharge of any Bond which remain unclaimed for two (2) years after the date when such Bond has become due and payable, either at its stated maturity date or by call for earlier redemption shall be paid to the Issuer, thereupon and thereafter no claimant shall have any rights against the Trustee or Paying Agent to or in respect of such moneys.

If the Issuer deposits or causes to be deposited with the Trustee funds or Federal Securities (as defined in the Master Indenture) sufficient to pay the principal or Redemption

Price of any the Assessment Area 3 Bonds becoming due at maturity or by call for redemption in the manner set forth in the Assessment Area 3 Indenture, together with the interest accrued to the due date, or date of redemption, as applicable, the lien of such Assessment Area 3 Bonds as to the Trust Estate with respect to the Assessment Area 3 Bonds shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Assessment Area 3 Indenture.

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

The Issuer shall keep books for the registration of the Assessment Area 3 Bonds at the designated corporate trust office of the Registrar in Orlando, Florida. Subject to the restrictions contained in the Assessment Area 3 Indenture, the Assessment Area 3 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 Assessment Area 3 Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver a new Bond or Assessment Area 3 Bonds in authorized form and in like aggregate principal amount in accordance with the provisions of the Assessment Area 3 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 Assessment Area 3 Bonds.

The Issuer, the Trustee, the Paying Agent and the Registrar shall deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner thereof (whether or not such Bond shall be overdue) for the purpose of receiving payment of or on account of the principal of, premium, if any, and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in 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 Assessment Area 3 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 – SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, Highland Meadows West Community Development District has caused this Bond to be signed by the facsimile signature of the Chairperson of its Board of Supervisors and a facsimile of its seal to be imprinted hereon, and attested by the facsimile signature of the Secretary of its Board of Supervisors, all as of the date hereof.

## HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT

	By:
	Chairperson, Board of Supervisors
(SEAL)	
Attest:	
By:Secretary, Board of Supervisors	

## **CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Assessment mentioned Assessment Area 3 Indenture.	Area 3 Bonds delivered pursuant to the within
Date of Authentication:	
	U.S. BANK NATIONAL ASSOCIATION, as Trustee
	By:Authorized Signatory

## STATEMENT OF VALIDATION

This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court of the Tenth Judicial Circuit of Florida, in and for Hardee, Highlands and Polk Counties, rendered on the 15<sup>th</sup> day of October, 2018.

## HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT

	By:
	Chairperson, Board of Supervisors
(SEAL)	
Attest:	
By: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 TEN ENT JT TEN	- a	s tenants in constants by the strength of the	he entireties s with rights o	of survivorship and
UNIFORM TRANSFER MIN ACT -			Custodian	
		Cust)		(Minor)
Under Uniform Transfer to Minors Act				,
	(Stat	e)		

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 **NOTICE:** The signature to this assignment Exchange or a commercial bank or trust company

by a member firm of the New York Stock 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 other identifying number of Assignee.

#### **EXHIBIT C**

#### FORMS OF REQUISITIONS

# HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS SERIES 2020A (ASSESSMENT AREA 3 PROJECT)

(Acquisition and Construction)

The undersigned, a Responsible Officer of the Highland Meadows West Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture by and between the District and U.S. Bank National Association, as trustee (the "Trustee"), dated as of April 1, 2019 as supplemented by that certain Third Supplemental Trust Indenture dated as of [\_\_\_\_\_\_ 1, 2020] (collectively, the "Assessment Area 3 Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Assessment Area 3 Indenture):

- (A) Requisition Number:
- (B) Identify Acquisition Agreement, if applicable;
- (C) Name of Payee pursuant to Acquisition Agreement:
- (D) Amount Payable:
- (E) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments):
- (F) Fund or Account and subaccount, if any, from which disbursement to be made:

Assessment Area 3 Acquisition and Construction Account of the Acquisition and Construction Fund.

### The undersigned hereby certifies that:

- 1. obligations in the stated amount set forth above have been incurred by the District,
- 2. each disbursement set forth above is a proper charge against the Assessment Area 3 Acquisition and Construction Account; and
- 3. each disbursement set forth above was incurred in connection with the Cost of the Assessment Area 3 Project.

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof. The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

Attached hereto or on file with the District are copies of the invoice(s) or applicable contracts from the vendor of the property acquired or the services rendered, as well as applicable conveyance instruments (e.g. deed(s), bill(s) of sale, easement(s), etc.) with respect to which disbursement is hereby requested.

disbursement is hereby requested.	
	HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT
	By: Responsible Officer
	Date:
	INEER'S APPROVAL FOR N-OPERATING COSTS REQUESTS ONLY]
of the Assessment Area 3 Project and is construction contract; (ii) the plans and spect Project with respect to which such disburs Consulting Engineer, as such report shall he The Consulting Engineer further certifies are the Assessment Area 3 Project that is the spurchase price to be paid by the District for	r hereby certifies that this disbursement is for a Cost consistent with: (i) the applicable acquisition or diffications for the portion of the Assessment Area 3 seement is being made; and (iii) the report of the ave been amended or modified on the date hereof, and agrees that for any acquisition (a) the portion of subject of this requisition is complete, and (b) the the portion of the Assessment Area 3 Project to be than the lesser of (i) the fair market value of such truction of such improvements.
	Consulting Engineer
	Date:

### FORMS OF REQUISITIONS

## HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS SERIES 2020A (ASSESSMENT AREA 3 PROJECT)

(Costs of Issuance)

The undersigned, a Responsible Officer of the Highland Meadows West Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture by and between the District and U.S. Bank National Association, as trustee (the "Trustee"), dated as of April 1, 2019, as supplemented by that certain Third Supplemental Trust Indenture dated as of [\_\_\_\_\_\_1, 2020] (collectively, the "Assessment Area 3 Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Assessment Area 3 Indenture):

- (A) Requisition Number:
- (B) Amount Payable:
- (C) Purpose for which paid or incurred: Costs of Issuance
- (D) Fund or Account and subaccount, if any, from which disbursement to be made:

Assessment Area 3 Costs of Issuance Account of the Acquisition and Construction Fund

The undersigned hereby certifies that:

- 1. this requisition is for Costs of Issuance payable from the Assessment Area 3 Costs of Issuance Account that have not previously been paid;
- 2. each disbursement set forth above is a proper charge against the Assessment Area 3 Costs of Issuance Account;
- 3. each disbursement set forth above was incurred in connection with the issuance of the Assessment Area 3 Bonds; and
- 4. each disbursement represents a cost of issuance which has not previously been paid.

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof. The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

Attached hereto or on file with the District are copies of the invoice(s) from the vendor of the services rendered, with respect to which disbursement is hereby requested.

	ILAND MEADOWS WEST MUNITY DEVELOPMENT DISTRICT
By:	Responsible Officer
Date:	

## EXHIBIT D FORM OF INVESTOR LETTER

[Date]

Highland Meadows West Community Development District c/o Governmental Management Services – Central Florida, LLC 219 E. Livingston St.
Orlando, FL 32801

FMSbonds, Inc.
20660 W. Dixie Highway
North Miami Beach, FL 33180

Re: \$[\_\_\_\_] Highland Meadows West Community Development District Special Assessment Bonds Series 2020A (Assessment Area 3 Project)

#### Ladies and Gentlemen:

The undersigned is authorized to sign this letter [on behalf of Name of Non-Individual Investor], as the beneficial owner (the "Investor") of \$\_\_\_\_\_ of the above-referenced Bonds [state maturing on, 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 is an "accredited investor" as described in Rule 501 under Regulation D of the Securities Act of 1933, as amended (the "Securities Act"), 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 al	the equity owners are "accredited investors;"
	of the pri	oouse, that exceeds \$1 mil	has individual net worth, or joint net worth with the lion at the time of the purchase, excluding the value person except that mortgage indebtedness on the ed as a liability;
		ers or joint income with a	spouse exceeding \$200,000 in each of the two most spouse exceeding \$300,000 for those years and a scome level in the current year; or
	purpose o person.		s in excess of \$5,000,000, not formed for the specific onds whose purchase is directed by a sophisticated
(the "( Offerindecision	d Offering Offering Dong Docume on to invest Capitalize	Memorandum dated [ocument") and has reviewed nt has provided full and no in the Investor Bonds.	lied with an (electronic) copy of the Preliminary
terms i	in the Inder	iture.	Very truly yours,
			[Name], [Type of Entity]
			By: Name: Title: Date: Or
			[Name], an Individual

## **EXHIBIT C**

## FORM OF BOND PURCHASE CONTRACT

**DRAFT-1** GrayRobinson, P.A. December 30, 2019

## HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT (HAINES CITY, FLORIDA)

\$\_\_\_\_\_SPECIAL ASSESSMENT BONDS, SERIES 2020A
(ASSESSMENT AREA 2 PROJECT)
\$\_\_\_\_\_SPECIAL ASSESSMENT BONDS, SERIES 2020A
(ASSESSMENT AREA 3 PROJECT)

#### **BOND PURCHASE CONTRACT**

\_\_\_\_\_\_, 2020

Board of Supervisors Highland Meadows West Community Development District Haines City, Florida

Dear Ladies and Gentlemen:

FMSbonds, Inc. (the "Underwriter") offers to enter into this Bond Purchase Contract (the "Purchase Contract") with Highland Meadows West Community Development District (the "District"). The District is located within the incorporated boundaries of City of Haines City, Florida (the "City"). 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 (as 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 Statements attached hereto as Exhibit A.

1.	Purchase and Sale.	Upon the terms	and conditions a	and upon the bas	sis of the
representation	s, warranties and agr	eements set forth	herein, the Und	erwriter hereby	agrees to
purchase fron	n the District and the l	District hereby agr	ees to sell and d	eliver to the Un	derwriter,
all (but not le	ss than all) of its \$	aggrega	te principal amou	ant of Special As	ssessment
Bonds, Serie	s 2020A (Assessment	t Area 2 Project)	(the "Assessme	ent Area 2 Bor	ıds") and
\$	aggregate principal	amount of Spe	cial Assessmen	t Bonds, Serie	s 2020A
(Assessment A	Area 3 Project) (the "A	Assessment Area 3	Bonds" and, togo	ether with the As	ssessment
Area 2 Bonds	, the "Bonds"). The Bo	onds shall be dated	d their date of del	livery and shall 1	nature on
the dates, sha	ll bear interest at the r	ates, and shall be	subject to redemp	ption prior to ma	iturity, all
as provided in	n Exhibit B attached h	ereto. The purcha	se price for the A	Assessment Area	ı 2 Bonds
shall be \$	(representi	ng the \$	aggregate	principal amour	nt of the
Assessment A	area 2 Bonds, [plus/les	s net original issue	premium/discou	int of \$	and]
	writer's discount of \$				
Bonds shall b	e \$(repre	senting the \$	aggregat	e principal amou	unt of the
Assessment A	rea 3 Bonds, [plus/les	s net original issue	e premium/discou	int of \$	and]

less an underwriter's discount of \$\_\_\_\_\_\_). The payment for and delivery of the Bonds and the other actions contemplated hereby to take place at the Closing Date (as hereinafter defined) being hereinafter referred to as the "Closing."

- The Bonds. The Bonds are to be issued by the District, a local unit of special-2. 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 (the "Act"), and by Ordinance No. 18-045, duly enacted by the Board of County Commissioners of Polk County, Florida (the "County") on July 10, 2018, as amended by Ordinance No. January 7, 2020 (the "Ordinance"), and approved and consented to by the City Commission of the City, Florida (the "City"). The Series 2020A Bonds are being issued pursuant to the Act and secured pursuant to the provisions of a Master Trust Indenture dated as of April 1, 2019 (the "Master Indenture") and, with respect to the Assessment Area 2 Bonds, as supplemented by a Second Supplemental Trust Indenture dated as of 1, 2020 (the "Second Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area 2 Indenture") and, with respect to the Assessment Area 3 Bonds, as supplemented by a Third Supplemental Trust Indenture dated as of 1, 2020 (the "Third Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area 3 Indenture"), each by and between the District and U.S. Bank National Association, as trustee (the "Trustee"), and Resolution Nos. 2018-24 and 2020- adopted by the Board of Supervisors of the District (the "Board") on July 24, 2018, and January 8, 2020, respectively (collectively, the "Bond Resolution"). The Assessment Area 2 Indenture and Assessment Area 3 Indenture are collectively referred to herein as the "Indenture." The Assessment Area 2 Special Assessments, the revenues from which constitute the Assessment Area 2 Pledged Revenues securing the Assessment Area 2 Bonds, and the Assessment Area 3 Special Assessments, the revenues from which constitute the Assessment Area 3 Pledged Revenues securing the Assessment Area 3 Bonds, have been, or will be prior to the time of Closing, levied by the District on the lands within the District specially benefited by the Assessment Area 2 Project and the Assessment Area 3 Project, respectively, pursuant to the Assessment Resolutions (as such terms are defined in the Indenture).
- 3. <u>Limited Offering</u>; <u>Establishment of Issue Price</u>. 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.
  - (a) 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 a form reasonably satisfactory to Bond Counsel, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

- (b) Except as otherwise indicated in Exhibit B, 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. At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the District the price or prices at which the Underwriter has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity, the Underwriter agrees to promptly report to the District the prices at which the Bonds of that maturity have been sold by the Underwriter to the public. That reporting obligation shall continue, whether or not the Closing Date 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 provided that, the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Issuer or bond counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Securities.
- (c) The Underwriter confirms that it has offered the Bonds to accredited investors constituting the public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit B attached hereto, except as otherwise set forth therein. Exhibit B also sets forth, as of the date of this Purchase Contract, the maturities of the Bonds for which the 10% test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:
  - (1) the close of the fifth (5th) business day after the sale date; or
  - (2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the District promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

#### (d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

- (A) (i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,
- (B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and
- (C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.
- (ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.
- (e) The Underwriter acknowledges that sales of any Bond to any person that is a related party to an Underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:
  - (i) "public" means any person other than an underwriter or a related party,
  - (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the

public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

- (iii) 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 (A) more than 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), (B) 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 (C) 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
- (iv) "sale date" means the date of execution of this Purchase Contract by all parties.
- 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 , 2020 (the "Preliminary Limited Offering Memorandum") of the District, relating to the Bonds that the District has deemed final as of its date, except for certain permitted omissions (the "Permitted Omissions"), as contemplated by Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") in connection with the limited offering of the Bonds. The Underwriter has reviewed the Preliminary Limited Offering Memorandum prior to the execution of this Purchase Contract. The District has, prior to the date hereof, authorized 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 hereinafter defined) 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 the Rule 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 hereby approves the circulation and use by the Underwriter of the Limited Offering Memoranda with respect to the Bonds.
- 5. <u>Definitions</u>. For purposes hereof, (a) this Purchase Contract, the Bonds, the Indenture, the Continuing Disclosure Agreement to be dated as of the Closing Date, by and among the District, Orchid Terrace Development, LLC, a Florida limited liability company (the "Assessment Area 2 Landowner"), and Governmental Management Services Central Florida, LLC, as dissemination agent (the "Dissemination Agent"), the Trustee and the District Manager and the Continuing Disclosure Agreement to be dated as of the Closing Date, by and among the District, Orchid Terrace Group, LLC, a Florida limited liability company (the "Assessment Area

3 Landowner"), and the Dissemination Agent, the Trustee and the District Manager, each in substantially the forms attached to the Preliminary Limited Offering Memorandum as APPENDIX D thereto (the "Disclosure Agreement"), 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 Agreements Regarding the Completion of Certain Improvements by and between the District and the Assessment Area 2 Landowner, and by and between the District and the Assessment Area 3 Landowner, each dated as of the Closing Date (the "Completion Agreements"), the Agreements Regarding the Acquisition of Real Property by and between the District and the Assessment Area 2 Landowner, and by and between the District and the Assessment Area 3 Landowner, each dated as of the Closing Date (the "Acquisition Agreements"), the Collateral Assignment and Assumption of Development Rights Relating to the Assessment Area 2 Project by and between the District and the Assessment Area 2 Landowner, and the Collateral Assignment and Assumption of Development Rights Relating to the Assessment Area 3 Project by and between the District and the Assessment Area 3 Landowner, each dated as of the Closing Date in recordable form (the "Collateral Assignments"), and the Agreements Regarding True-Up by and between the District and the Assessment Area 2 Landowner, and by and between the District and the Assessment Area 3 Landowner, each dated as of the Closing Date in recordable form (the "True-Up Agreements") 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, without limitation, 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) authorize and 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. 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 use and 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 Limited Offering Memoranda 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 respective 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);

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, the approval of the delivery of the Preliminary 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 Assessment Resolutions, 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 Assessment Area 2 Project and the Assessment Area 3 Project (collectively, the "Projects") to the extent referred to in the Limited Offering Memoranda, 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 Assessment Area 2 Pledged Revenues and the Assessment Area 3 Pledged Revenues (collectively, the "Series 2020A Pledged Revenues"), as applicable. 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;
- 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 corporate existence or powers of the Board 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 the respective Series 2020A Special Assessments or the pledge of and lien on the respective Series 2020A 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 to which the District is a party, 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;

- As of its date (unless an event occurs of the nature described in paragraph (1) 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 made therein, in the 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 2020A BONDS Book-Entry Only System," "THE DEVELOPMENT," LANDOWNERS," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION – The Landowners" and "UNDERWRITING";
- (k) If the Limited Offering Memorandum is supplemented or amended pursuant to subsection (1) 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 be accurate in all material respects for the purposes for which their use is authorized 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 the 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 2020A BONDS Book-Entry Only System," "THE DEVELOPMENT," "THE LANDOWNERS," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION The Landowners" and "UNDERWRITING";
- (l) If between the date of this Purchase Contract and the earlier of (i) the date that is ninety (90) days from the end of the "Underwriting Period" as defined in the Rule, or (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB'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 the 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 (unless such supplement or amendment is the direct result of information provided by the Landowners or Underwriter, then at the expense of said relevant person) 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 Limited Offering Memoranda, 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, either Series of the Bonds, the Financing Documents or the Ancillary Agreements, direct or contingent, other than as set forth in or contemplated by the Limited Offering Memoranda;
- (n) 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 69W-400.003 of the Florida Department of Financial Services;
- (o) Except as may be 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 the Rule;
- (p) 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
- (q) From the date of this Purchase Contract through the Closing Date, the District will not issue any bonds (other than the Bonds), notes or other obligations payable from the Series 2020A Pledged Revenues.
- Otte") 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 to the Underwriter, the Bonds 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 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. <u>Closing Conditions</u>. 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 to purchase, to accept delivery of and to pay for the Bonds 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 Memoranda 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 Chairperson 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 in form and substance acceptable to the Underwriter and Underwriter's counsel;
    - (4) The opinion, dated as of the Closing Date and addressed to the District, of Greenberg Traurig, P.A., Bond Counsel, in the form included in the Preliminary Limited Offering Memorandum as APPENDIX C or otherwise in form and substance acceptable to the Underwriter and Underwriter's Counsel, 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 supplemental opinion, dated as of the Closing Date and addressed to the Underwriter, of Greenberg Traurig, P.A., Bond Counsel, in the form annexed as <u>Exhibit C</u> hereto or otherwise in form and substance acceptable to the Underwriter and Underwriter's Counsel;
- (6) The opinion, dated as of the Closing Date and addressed to the District, the Underwriter and the Trustee of Hopping Green & Sams P.A., counsel to the District, in the form annexed as <u>Exhibit D</u> hereto or in form and substance otherwise acceptable to the Underwriter and its counsel;
- (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 in form and substance acceptable to the Underwriter and Underwriter's Counsel;
- (9) The opinion, dated as of the Closing Date and addressed to the District, the Trustee and the Underwriter, of Straughn & Turner, P.A., counsel to the Landowners, in the form annexed as <u>Exhibit E</u> hereto or in form and substance otherwise acceptable to the Underwriter and Underwriter's counsel;
- (10) Certificates of the Landowners dated as of the Closing Date, in the forms annexed as <u>Exhibit F</u> hereto or otherwise in form and substance acceptable to the Underwriter and Underwriter's Counsel;

### (11) A copy of the Ordinance;

A certificate, dated as of the Closing Date, signed by the Chairperson or Vice-Chairperson 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 as the means of collecting the Series 2020A Special Assessments as described in the Indenture; and (v) the Limited Offering Memoranda (other than the information under the captions "DESCRIPTION OF THE SERIES 2020A BONDS - Book-Entry Only System," "THE DEVELOPMENT," "THE LANDOWNERS," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION - The Landowners" and "UNDERWRITING," as to which no view need be expressed) as of their respective dates, and as of the date hereof, do 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 the light of the circumstances under which they were made, not misleading;

- (13) A customary signature and no litigation certificate, dated as of the Closing Date, signed on behalf of the District by the Chairperson or Vice-Chairperson and Secretary or an Assistant Secretary of the Board in form and substance acceptable to the Underwriter and Underwriter's Counsel;
- (14) Evidence of compliance by the District with the requirements of Section 189.051, Florida Statutes;
- (15) Executed copies of the District's certification as to arbitrage and other matters relative to the tax status of the Bonds under Section 148 of the Internal Revenue Code of 1986, as amended;
- (16) Executed copy of Internal Revenue Service Form 8038-G relating to the Bonds;
- (17) A certificate of the District's consulting engineer, dated as of the Closing Date, in the form annexed as <u>Exhibit G</u> hereto or otherwise in form and substance acceptable to the Underwriter and Underwriter's Counsel;
- (18) A certificate of the District Manager and methodology consultant in the form annexed as <u>Exhibit H</u> hereto or otherwise in form and substance acceptable to the Underwriter and Underwriter's Counsel;
- (19) A certificate of the District whereby the District deemed the Preliminary Limited Offering Memorandum final for purposes of the Rule as of the date of the Preliminary Limited Offering Memorandum except for the Permitted Omissions;
- (20) To the extent required under the Indenture, an investor letter from each initial beneficial owner of the Bonds in the form attached to the Indenture;
- (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) Evidence of compliance by the District with the requirements of Section 215.84, Florida Statutes;
- (23) A certified copy of the final judgment of the Circuit Court in and for Polk County Florida validating the Bonds and appropriate certificate of noappeal;

- (24) [A copy of the Master Assessment Methodology Report for Highland Meadows West Community Development District dated July 24, 2018, as supplemented by the Supplemental Assessment Methodology for the Series 2020A Bonds] dated the date hereof, as the same may be amended and supplemented from time to time, relating to the Bonds;
- (25) A copy of the "Highland Meadows West Community Development District Engineer's Report for Capital Improvements" dated July 2018, as supplemented by the "Supplemental Engineer's Report for Capital Improvements" dated September 18, 2019;
- (26) [Acknowledgments in recordable form by all mortgage holders on lands within Assessment Area 3 as to the superior lien of the Assessment Area 3 Special Assessments, in form and substance acceptable to the Underwriter and Underwriter's Counsel;]
- (27) A Declaration of Consent to Jurisdiction of the District, Imposition of Special Assessments and Imposition of Lien of Record by the Landowners and any other landowners with respect to all real property which is subject to the Series 2020A Special Assessments, in recordable form and otherwise in form and substance acceptable to the Underwriter and Underwriter's Counsel;
- (28) Evidence acceptable to the Underwriter in its sole discretion that the District has engaged a dissemination agent acceptable to the Underwriter (the "Dissemination Agent") for the Bonds;
- (29) A certificate of the Dissemination Agent (i) acknowledging its agreement to serve as the initial Dissemination Agent for the District and undertake the obligations of the Dissemination Agent as set forth in the Disclosure Agreements, (ii) representing that the Dissemination Agent is aware of the continuing disclosure requirements set forth in the Disclosure Agreements and the Rule and that it has policies and procedures in place to ensure its compliance with its obligations under the Disclosure Agreements, and (iii) covenanting to comply with its obligations under the Disclosure Agreements; and
- (30) 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 Landowners 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, to accept delivery of and to pay for the Bonds contained in this Purchase Contract (unless waived by the Underwriter in its sole discretion), 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.

**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 in writing 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 exempt status of the District, its property or income, its securities (including either Series of 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 either Series of the Bonds, or the market price generally of obligations of the general character of the Bonds; (ii) the District or the Landowners have, 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 the Landowners, other than in the ordinary course of their respective 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 the 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 2020A 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, if applicable, 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; (iv) the fees and disbursements of counsel to the District, the District Manager, the Dissemination Agent, Bond Counsel, the District Engineer, the Underwriter, Underwriter's Counsel, the District's methodology consultant, the District Engineer, and any other experts or consultants retained by the District; and (v) the cost of recording in the Official Records of the County any Financing Documents, Ancillary Agreements or other documents or certificates that are required to be recorded pursuant to the terms of this Purchase Contract. It is anticipated that such expenses shall be paid from the proceeds of the Bonds. The District shall record all documents required to be provided in recordable form hereunder within three business days after the Closing Date, which obligation shall survive the Closing.
- (b) The Underwriter agrees to pay all advertising expenses in connection with the Bonds, if any.
- No Advisory or Fiduciary Role. The District acknowledges and agrees that (i) 11. the purchase and sale of the Bonds pursuant to this Agreement 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 processes 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 a fiduciary of the District, (iii) the Underwriter has not assumed an advisory or a fiduciary responsibility in favor of the District with respect to the limited offering of the Bonds or the discussions, undertakings and process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has provided or is currently advising or providing services to the District on other matters) or any other obligation to the District except the obligations expressly set forth in this Agreement, (iv) the Underwriter has financial and other interests that differ from those of the District, (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, and (vi) the Underwriter has provided to the District prior disclosures under Rule G-17 of the MSRB, which have been received by the District.
- 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 Governmental Management Services Central Florida, LLC, 135 W. Central Boulevard, Suite 320, Orlando, Florida 32801, 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 and survive the closing on the Bonds, 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. <u>Effectiveness</u>. 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.** <u>Amendment</u>. 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. <u>Governing Law</u>. This Purchase Contract shall be governed and construed in accordance with the laws of the State.
- 18. <u>Counterparts</u>; <u>Facsimile</u>; <u>PDF</u>. 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.

[Signature page follows.]

	Very truly yours,
	FMSBONDS, INC.
	Ву:
	Theodore A. Swinarski, Senior Vice President – Trading
Accepted and agreed to this day of, 2020.	
	HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT
	By: Warren "Rennie" Heath II,
	Chairperson, Board of Supervisors

## **EXHIBIT A**

## DISCLOSURE AND TRUTH-IN-BONDING STATEMENT

	, 2020
Highland Mead Haines City, F	dows West Community Development District Iorida
As Ar (A	ghland Meadows West Community Development District \$ Special sessment Bonds, Series 2020A (Assessment Area 2 Project) (the "Assessment ea 2 Bonds") and \$ Special Assessment Bonds, Series 2020A ssessment Area 3 Project) (the "Assessment Area 3 Bonds" and, together with the sessment Area 2 Bonds, the "Bonds")
Dear Ladies ar	nd Gentlemen:
above-reference pursuant to a Contract"), by Development l limited offerin	nt to Chapter 218.385, Florida Statutes, and with respect to the issuance of the red Bonds, FMSbonds, Inc. (the "Underwriter"), having purchased the Bonds Bond Purchase Contract dated, 2020 (the "Bond Purchase and between the Underwriter and Highland Meadows West Community District (the "District"), furnishes the following information in connection with the g and sale of the Bonds. Capitalized terms used and not defined herein shall have given to them under the Bond Purchase Contract.
1.	The total underwriting discount paid to the Underwriter pursuant to the Bond Purchase Contract for the Assessment Area 2 Bonds is approximately \$ per \$1,000.00 or \$, and for the Assessment Area 3 Bonds is approximately \$ per \$1,000.00 or \$
2.	There are no "finders" as such term is used in Sections 218.385 and 218.386, Florida Statutes, in connection with the issuance of the Bonds.
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/\$1,000 or \$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 in connection with the Bonds to any person not regularly employed or retained by the Underwriter is as follows: None.

compensated by the District.

GrayRobinson, P.A. has been retained as counsel to the Underwriter and will be

6. Pursuant to the provisions of Sections 218.385(2) and (3), <u>Florida Statutes</u>, as amended, the following truth-in-bonding statements are made with respect to the Bonds.

The District is proposing to issue \$\_\_\_\_\_ aggregate amount of the Assessment

7. The address of the Underwriter is:

FMSbonds, Inc. 20660 W. Dixie Highway North Miami Beach, Florida 33180

Area 2 Bonds for the purposes of: (i) providing funds to pay all or a portion of the costs of the
planning, financing, acquisition, construction, equipping and installation of the Assessment Area
2 Project, (ii) funding a deposit to the Assessment Area 2 Reserve Account in the amount of the
Assessment Area 2 Reserve Requirement, (iii) paying a portion of the interest coming due on the
Assessment Area 2 Bonds, and (iv) paying the costs of issuance of the Assessment Area 2 Bonds
This debt or obligation is expected to be repaid over a period of approximately()
years and (_) months. At a net interest cost of approximately % for the
Assessment Area 2 Bonds, total interest paid over the life of the Assessment Area 2 Bonds will
be \$
The District is proposing to issue \$ aggregate amount of the Assessment
Area 3 Bonds for the purposes of: (i) providing funds to pay all or a portion of the costs of the
planning, financing, acquisition, construction, equipping and installation of the Assessment Area
2 D ' ('') C 1' 1 '(4 11 A
3 Project, (ii) funding a deposit to the Assessment Area 3 Reserve Account in the amount of the
Assessment Area 3 Reserve Requirement, (iii) paying a portion of the interest coming due on the
Assessment Area 3 Reserve Requirement, (iii) paying a portion of the interest coming due on the Assessment Area 3 Bonds, and (iv) paying the costs of issuance of the Assessment Area 3 Bonds
Assessment Area 3 Reserve Requirement, (iii) paying a portion of the interest coming due on the Assessment Area 3 Bonds, and (iv) paying the costs of issuance of the Assessment Area 3 Bonds
Assessment Area 3 Reserve Requirement, (iii) paying a portion of the interest coming due on the
Assessment Area 3 Reserve Requirement, (iii) paying a portion of the interest coming due on the Assessment Area 3 Bonds, and (iv) paying the costs of issuance of the Assessment Area 3 Bonds This debt or obligation is expected to be repaid over a period of approximately ()

The source of repayment for the Assessment Area 2 Bonds and the Assessment Area 3 Bonds is the Assessment Area 2 Special Assessments and the Assessment Area 3 Special Assessments, respectively, imposed and collected by the District. Based solely upon the assumptions set forth in the paragraphs above, (i) the issuance of the Assessment Area 2 Bonds will result in approximately \$\_\_\_\_\_\_\_ (representing the average annual debt service payments due on the Assessment Area 2 Bonds) and (ii) the issuance of the Assessment Area 3 Bonds will result in approximately \$\_\_\_\_\_\_\_ (representing the average annual debt service payments due on the Assessment Area 3 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 related Series 2020A Special Assessments in the amount of the principal of and interest to be paid on the Bonds.

[Remainder of page intentionally left blank.]

Sincerely,
By:
Theodore A. Swinarski,
Senior Vice President - Trading

## **SCHEDULE I**

## **Expenses for Assessment Area 2 Bonds**:

<u>Expense</u> <u>Amount</u>

DALCOMP Clearance CUSIP DTC

FINRA/SIPC

**MSRB** 

Electronic Orders

TOTAL:

## **Expenses for Assessment Area 3 Bonds**:

<u>Expense</u> <u>Amount</u>

DALCOMP Clearance

CUSIP

DTC

FINRA/SIPC

**MSRB** 

**Electronic Orders** 

TOTAL:

#### **EXHIBIT B**

### **TERMS OF BONDS**

1.	Purchase Pri	ce: \$	(representi	ng the $_{-}$		_ aggregate prin	ıcipal
							count
	of \$	and]less an u	inderwriter's di	scount of \$_		).	
	\$	(representing 1	the \$	aggreg	gate princ	cipal amount of	f the
	Assessment A	Area 3 Bonds	, [plus/less r	net origina	il issue	premium/discoun	ıt of
	\$	and]less an und	erwriter's disco	ount of \$	)	).	
2.	Principal Amounts, Maturities, Interest Rates and Prices:						
	Assessment Area 2 Bonds						
				Interest		•	
		<u>Amount</u>	<u>Maturity</u>	Rate	<u>Price</u>		
		Assessment Area 3 Bonds					
				Interest			
		<u>Amount</u>	<u>Maturity</u>	Rate	<u>Price</u>		
	The Underwrit	er has offered th	ne Series 2020.	A Ronds to	the public	c on or before the	date
of this						as sold at least 10	
						s no higher than	
initial	offering prices[	, except for the f	ollowing matur	rities:	].		
4.	Redemption I	Provisions:					
	-						
	Optional Red	emption					
	Assessment A	rea 2 Bonds					

The Assessment Area 2 Bonds maturing after [November 1, 20\_] may, at the option of the District be called for redemption prior to maturity as a whole or in part, at any time, on or after [November 1, 20\_] (less than all Assessment Area 2 Bonds of a maturity to be selected by lot), at a Redemption Price equal to the principal amount of Assessment Area 2 Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date through which interest has been paid to the redemption date from moneys on deposit in the Assessment Area 2 Optional Redemption Subaccount of the Assessment Area 2 Bond Redemption Account. If such optional redemption shall be in part, the District shall select such principal amount of

Assessment Area 2 Bonds to be optionally redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 2 Bonds is substantially level.

#### Assessment Area 3 Bonds

The Assessment Area 3 Bonds maturing after [November 1, 20\_\_] may, at the option of the District be called for redemption prior to maturity as a whole or in part, at any time, on or after [November 1, 20\_\_] (less than all Assessment Area 3 Bonds of a maturity to be selected by lot), at a Redemption Price equal to the principal amount of Assessment Area 3 Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date through which interest has been paid to the redemption date from moneys on deposit in the Assessment Area 3 Optional Redemption Subaccount of the Assessment Area 3 Bond Redemption Account. If such optional redemption shall be in part, the District shall select such principal amount of Assessment Area 3 Bonds to be optionally redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 3 Bonds is substantially level.

## **Mandatory Sinking Fund Redemption**

## Assessment Area 2 Bonds

The Assessment Area 2 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 2 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

	<u>Year</u>	Mandatory Sinking Fund Redemption Amount
		\$
	*	
*Maturity		

The Assessment Area 2 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 2 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

	<u>Year</u>	Mandatory Sinking Fund Redemption Amount
		\$
	*	
*Maturity		

The Assessment Area 2 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 2 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

	<u>Year</u>	Mandatory Sinking Fund Redemption Amount
		\$
	*	
*Maturity	-	

The Assessment Area 2 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 2 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

	<u>Year</u>	Mandatory Sinking Fund Redemption Amount
		\$
	*	
*Maturity		

## Assessment Area 3 Bonds

The Assessment Area 3 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 3 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

	<u>Year</u>	Mandatory Sinking Fund Redemption Amount
		\$
	*	
*Maturity	-	

The Assessment Area 3 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 3 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set

forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

Year Mandatory Sinking Fund
Redemption Amount

\*Maturity

The Assessment Area 3 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 3 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

Year Mandatory Sinking Fund
Redemption Amount

\*Maturity

The Assessment Area 3 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 3 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

Year Mandatory Sinking Fund
Redemption Amount

\*Maturity

Upon any redemption of Bonds of a Series of Series 2020A Bonds other than in accordance with scheduled mandatory sinking fund redemptions, the District shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of such Series of Series 2020A Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of such Series of Series 2020A Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Bonds of such Series of Series 2020A Bonds in any year. In the event of a redemption or purchase

occurring less than 45 days prior to a date on which a mandatory sinking fund redemption payment is due, the foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

## **Extraordinary Mandatory Redemption**

#### Assessment Area 2 Bonds

The Assessment Area 2 Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole or in part, on any date (other than in the case of clause (i) below, which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Assessment Area 2 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

- (i) from Assessment Area 2 Prepayment Principal deposited into the Assessment Area 2 Prepayment Subaccount of the Assessment Area 2 Bond Redemption Account following the payment in whole or in part of Assessment Area 2 Special Assessments on any assessable property within the District in accordance with the provisions of the Assessment Area 2 Indenture, together with any excess moneys transferred by the Trustee from the Assessment Area 2 Reserve Account to the Assessment Area 2 Prepayment Subaccount as a result of such Assessment Area 2 Prepayment and pursuant to the Assessment Area 2 Indenture. If such redemption shall be in part, the District shall select such principal amount of Assessment Area 2 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 2 Bonds is substantially level;
- (ii) from moneys, if any, on deposit in the Assessment Area 2 Funds, Accounts and Subaccounts in the Funds and Accounts (other than the Assessment Area 2 Rebate Fund and the Assessment Area 2 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Assessment Area 2 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture; and
- (iii) upon the Completion Date, from any funds remaining on deposit in the Assessment Area 2 Acquisition and Construction Account not otherwise reserved to complete the Assessment Area 2 Project and transferred to the Assessment Area 2 General Redemption Subaccount of the Assessment Area 2 Bond Redemption Account. If such redemption shall be in part, the District shall select such principal amount of Assessment Area 2 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 2 Bonds is substantially level.

#### Assessment Area 3 Bonds

The Assessment Area 3 Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole or in part, on any date (other than in the case of clause (i) below, which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the

Assessment Area 3 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

- (i) from Assessment Area 3 Prepayment Principal deposited into the Assessment Area 3 Prepayment Subaccount of the Assessment Area 3 Bond Redemption Account following the payment in whole or in part of Assessment Area 3 Special Assessments on any assessable property within the District in accordance with the provisions of the Assessment Area 3 Indenture, together with any excess moneys transferred by the Trustee from the Assessment Area 3 Reserve Account to the Assessment Area 3 Prepayment Subaccount as a result of such Assessment Area 3 Prepayment and pursuant to the Assessment Area 3 Indenture. If such redemption shall be in part, the District shall select such principal amount of Assessment Area 3 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 3 Bonds is substantially level;
- (ii) from moneys, if any, on deposit in the Assessment Area 3 Funds, Accounts and Subaccounts in the Funds and Accounts (other than the Assessment Area 3 Rebate Fund and the Assessment Area 3 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Assessment Area 3 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture; and
- (iii) upon the Completion Date, from any funds remaining on deposit in the Assessment Area 3 Acquisition and Construction Account not otherwise reserved to complete the Assessment Area 3 Project and transferred to the Assessment Area 3 General Redemption Subaccount of the Assessment Area 3 Bond Redemption Account. If such redemption shall be in part, the District shall select such principal amount of Assessment Area 3 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 3 Bonds is substantially level.

"Quarterly Redemption Date" shall mean each February 1, May 1, August 1, and November 1 of any calendar year.

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# **EXHIBIT C**

# BOND COUNSEL'S SUPPLEMENTAL OPINION

, 2020
Highland Meadows West Community Development District Haines City, Florida
FMSbonds, Inc. North Miami Beach, Florida
Re: Highland Meadows West Community Development District \$ Special Assessment Bonds, Series 2020A (Assessment Area 2 Project) ar \$ Special Assessment Bonds, Series 2020A (Assessment Area Project) (collectively, the "Bonds")
Ladies and Gentlemen:
We have acted as Bond Counsel to Highland Meadows West Community Development District (the "District"), a community development district established and existing pursuant of Chapter 190 of the Florida Statutes, as amended (the "Act"), in connection with the issuance of the District of its \$
In connection with the rendering of the Opinion, we have reviewed records of the actaken by the District in connection with the authorization, sale and issuance of the Bonds, we present at various meetings and participated in various discussions in connection therewith ar have reviewed such other documents, records and other instruments as we deem necessary deliver this opinion.
The District has entered into a Bond Purchase Contract dated, 2020 (the "Purchase Agreement"), for the purchase of the Bonds. Capitalized words used, but not define herein shall have the meanings ascribed thereto in the Purchase Agreement.

Based upon the forgoing, we are of the opinion that:

- 1. The sale of the Bonds by the District is not subject to the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to the exemption provided in Section 3(a)(2) of the Securities Act.
- 2. The Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.
- 3. The information in the Limited Offering Memoranda under the captions "INTRODUCTION," "DESCRIPTION OF THE SERIES 2020A BONDS," and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020A BONDS" insofar as such statements constitute descriptions of the Bonds or the Indenture, are accurate as to the matters set forth or documents described therein (provided, we express no opinion with respect to any financial, statistical and demographic information under the caption "DESCRIPTION OF THE SERIES 2020A BONDS Book-Entry Only System," and any other information in the Limited Offering Memoranda concerning DTC and its book-entry system of registration) and the information under the captions "TAX MATTERS" and "AGREEMENT BY THE STATE" are correct as to matters of law.

This letter is furnished by us as Bond Counsel. No attorney-client relationship has existed or exists between our firm and FMSbonds, Inc. (the "Underwriter") in connection with the Bonds or by virtue of this letter. This letter is delivered to the Underwriter solely for its benefit as Underwriter and may not be used, circulated, quoted or otherwise referred to or relied upon by the Underwriter for any other purpose or by any other person other than the addressee hereto. This letter is not intended to, and may not be, relied upon by holders of the Bonds.

Very truly yours,

#### EXHIBIT D

#### ISSUER'S COUNSEL'S OPINION

	, 2020
Highland Me Haines City,	adows West Community Development District Florida
FMSbonds, I North Miami	nc. Beach, Florida
Orlando, Flor	ational Association, as Trustee rida liance upon Sections C.1., C.2. and C.3.)
Re:	Highland Meadows West Community Development District \$ Special Assessment Bonds, Series 2020A (Assessment Area 2 Project) and \$ Special Assessment Bonds, Series 2020A (Assessment Area 3 Project) (collectively, the "Bonds")
Ladies and G	entlemen:
(the "District the State of Assessment I and its \$"Assessment letter is delived Section 2.090 the Third Superchase Control of the Third Superchase Contro	erve as counsel to the Highland Meadows West Community Development District "), a local unit of special-purpose government established pursuant to the laws of Florida, in connection with the sale by the District of its \$ Special Bonds, Series 2020A (Assessment Area 2 Project) (the "Assessment Area 2 Bonds") Special Assessment Bonds, Series 2020A (Assessment Area 3 Project) (the Area 3 Bonds" and, together with the Assessment Area 2 Bonds, the "Bonds"). This fered to you pursuant to Section 3.01(2), of the Master Indenture (defined below). Section 2.09(c) of applemental Trust Indenture (defined below), Section 2.09(c) of applemental Trust Indenture (defined below) and Section 8(c)(6) of the Bondartract (referenced below), and is effective as of the date first written above. Each term not otherwise defined herein has the meaning given it to it in the Indenture in).

#### A. DOCUMENTS EXAMINED

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

1. Ordinance No. 18-045, duly enacted by the Board of County Commissioners of Polk County, Florida (the "County") on July 10, 2018, as amended by Ordinance No. \_\_\_\_ on January 7, 2020 (the "Ordinance"), and approved and consented to by the City Commission of Haines City, Florida (the "City") pursuant to Resolution

- No. 18-1310 adopted on May 3, 2018 (collectively, "Establishment Ordinance");
- 3. Resolutions Nos. 2018-24 and 2020-\_\_ adopted by the District on July 24, 2018 and January 8, 2020, respectively (collectively, "Bond Resolution");
- 4. "Highland Meadows West Community Development District Engineer's Report for Capital Improvements" dated July 2018, as supplemented ("Engineer's Report"), which describes among other things, the "Assessment Area 2 Project" and the "Assessment Area 3 Project" (collectively, the "Projects");
- 6. Resolution Nos. 2020-01, 2020-02, [2020-04] and 2020-\_\_\_ (collectively, "Assessment Resolution"), establishing the debt service special assessments ("Debt Assessments"), securing the Bonds;
- 7. the *Final Judgment* issued on October 15, 2018, by the Circuit Court for the Tenth Judicial Circuit in and for Polk County, Florida in Case No. 53-2018-CA-003074 and the Certificate of No Appeal issued therefor;
- 8. the Preliminary Limited Offering Memorandum dated \_\_\_\_\_\_\_\_, 2020 ("PLOM") and Limited Offering Memorandum dated \_\_\_\_\_\_\_\_, 2020 ("LOM");
- 9. certain certifications by FMSbonds, Inc. ("Underwriter"), as underwriter to the sale of the Bonds;
- 10. certain certifications of Wood & Associates Engineering, LLC, as District Engineer;
- 11. certain certifications of Governmental Management Services Central Florida, LLC, as District Manager, Assessment Consultant and Financial Advisor;
- 12. general and closing certificate of the District;
- 13. an opinion of Greenberg Traurig, P.A. ("**Bond Counsel**"), issued to the District in connection with the sale and issuance of the Bonds;
- 14. an opinion of Aponte & Associates Law Firm, P.L.L.C. ("**Trustee Counsel**"), issued to the District and Underwriter in connection with the sale and issuance of the Bonds;

15. an opinion of Straughn & Turner, P.A., counsel to the Landowners (defined herein), issued to the District and the Underwriter in connection with the sale and issuance of the Bonds: 16. the following agreements ("Bond Agreements"): (a) the Continuing Disclosure Agreement dated \_\_\_\_\_\_, 2020, by and among the District, Orchid Terrace Development, LLC, a Florida limited liability company (the "Assessment Area 2 Landowner"), and a dissemination agent; (b) the Continuing Disclosure Agreement dated \_\_\_\_\_\_, 2020, by and among the District, Orchid Terrace Group, LLC, a Florida limited liability company (the "Assessment Area 3 Landowner" and, together with the Assessment Area 2 Landowner, the "Landowners"), and a dissemination (c) the Bond Purchase Contract between Underwriter and the District and dated , 2020 ("**BPA**"); (d) the Acquisition Agreement (2019 Bonds), between the District and the Assessment Area 2 Landowner dated \_\_\_, 2020: (e) the Acquisition Agreement (2019 Bonds), between the District and the Assessment Area 3 Landowner dated , 2020 (f) the Completion Agreement (2019 Bonds), between the District and the Assessment Area 2 Landowner dated , 2020; (g) the Completion Agreement (2019 Bonds), between the District and the Assessment Area 3 Landowner dated \_\_\_\_\_\_, 2020; (h) the True-Up Agreement (2019 Bonds), between the District and the Assessment Area 2 Landowner dated \_\_\_\_\_\_, 2020; (i) the True-Up Agreement (2019 Bonds), between the District and the Assessment Area 3 Landowner dated , 2020; (i) the Collateral Assignment and Assumption Agreement (2019 Bonds), between the District and the Assessment Area 2 Landowner dated \_\_\_\_\_\_, 2020: and (k) the Collateral Assignment and Assumption Agreement (2019 Bonds), between the District and the Assessment Area 3 Landowner dated , 17. Declarations of Consent to Jurisdiction executed by the Landowners; and 18. such other documents as we have deemed necessary or appropriate in rendering

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

## B. RELIANCE

the opinions set forth below.

This opinion is solely for the benefit of the (i) District; (ii) the Underwriter; and (iii) the Trustee; however, the Trustee may only rely on this opinion for the limited purposes of the

opinions stated in Sections C.1, C.2, and C.3. This opinion may not be relied on by any other party or for any other purpose without our prior written consent.

#### C. OPINIONS

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

- 1. Authority Under the Florida Constitution and laws of the State, the District has been duly established and validly exists as a local unit of special purpose government and a community development district under Chapter 190, Florida Statutes (the "Act"), with such powers as set forth in the Act, and with good, right and lawful authority: (a) to enter into and to consummate the transactions contemplated by the Bond Resolution, the Assessment Resolution, the Indenture, the Bonds and the Bond Agreements; (b) to issue the Bonds for the purposes for which they are issued; (c) to impose, levy, collect and enforce the Debt Assessments and pledge the Pledged Revenues to secure the Bonds as provided in the Indenture; (d) to adopt the Bond Resolution and the Assessment Resolution; and (e) to perform its obligations under the terms and conditions of the Bond Resolution, the Assessment Resolution, the Bond Agreements, the Bonds and the Indenture.
- 2. Assessments The proceedings by the District with respect to the Debt Assessments have been in accordance with Florida law. The District has taken all action necessary to levy and impose the Debt Assessments as set forth in the Assessment Resolution, Assessment Methodology, and/or other applicable documents. The Debt Assessments constitute legal, valid, binding and enforceable first liens upon the property against which such Debt Assessments are assessed, co-equal with the lien of all state, county, district and municipal taxes and assessments, and superior in dignity to all other liens, titles and claims, until paid.
- 3. Agreements The (a) Bond Resolution, (b) Assessment Resolution, (c) Bonds, (d) Indenture, and (d) Bond Agreements (assuming due authorization, execution and delivery of documents (c) (d) listed herein by any parties thereto other than the District) have been duly and validly authorized, executed and delivered by the District, have been duly approved and adopted and/or issued by the District, are in full force and effect, constitute legal, valid and binding obligations of the District, and are enforceable against the District in accordance with their respective terms. All conditions prescribed in the Indenture as precedent to the issuance of the Bonds have been fulfilled.
- 4. *Validation* The Bonds have been validated by a final judgment of the Circuit Court in and for Polk County, Florida, of which no timely appeal was filed.
- 5. **Governmental Approvals** As of the date hereof, all necessary consents, approvals, waivers or other actions by or filings with any governmental authority or other entity that are required for: (a) the adoption of the Bond Resolution and the Assessment Resolution; (b) the issuance, sale, execution and delivery of the Bonds upon the terms set forth in the BPA, PLOM, and LOM; (c) the execution and delivery of the Indenture and Bond Agreements; and (d) the performance by the District of the transactions required hereby, have been duly obtained or made and are in full force and effect.

- **PLOM and LOM** The District has duly authorized the execution, delivery and distribution by the Underwriter of the PLOM and LOM. To our knowledge, and based upon our review of the PLOM and LOM and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the PLOM and LOM, and as of the date of their respective issuances, and with respect to the PLOM, the date of the BPA, and with respect to the LOM, the date hereof, nothing has come to our attention which would lead us to believe that the PLOM and LOM contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, provided however that the opinions stated herein extend only to the following provisions of the PLOM and LOM: "INTRODUCTION" (as it relates to the District only), "SECURITY FOR AND SOURCE OF PAYMENT OF THE 2020A BONDS - Prepayment of Series 2020A Special Assessments," SERIES "ENFORCEMENT OF ASSESSMENT COLLECTIONS," "THE DISTRICT" (excluding the subcaptions "The District Manager and Other Consultants"), "THE DEVELOPMENT -Landowner Agreements" (solely as to the description of the agreements), "AGREEMENT BY THE STATE," "LEGALITY FOR INVESTMENT," "LITIGATION - The District," "CONTINUING DISCLOSURE" (as it relates to the District only), "VALIDATION," and "AUTHORIZATION AND APPROVAL," and further provided however that the opinions stated herein do not extend to any statements that constitute descriptions of the Bonds or the Indenture. No information or opinion is offered as to any remaining provisions of the PLOM or LOM.
- That we have not been served with notice, there is no litigation pending or, to the best of our knowledge, threatened against the District: (a) seeking to restrain or enjoin the issuance or delivery of the Bonds or the application of the proceeds thereof, or the imposition, levy or collection of the Debt Assessments or the Pledged Revenues pledged for the payment of the debt service on the Bonds; (b) contesting or affecting the authority for the authority for the Debt Assessments, the authority for the issuance of the Bonds or the validity or enforceability of the Bonds, the Indenture, the Bond Agreements or the transactions contemplated thereunder; (c) contesting or affecting the establishment or existence of the District or any of its Supervisors, officers or employees, its assets, property or condition, financial or otherwise, or contesting or affecting any of the powers of the District, including its power to enter into the Indenture or the Bond Agreements, or its power to determine, assess, levy, collect and pledge the Debt Assessments for the payment of the debt service on the Bonds; or (d) specifically contesting the exclusion from federal gross income of interest on the Bonds.
- 8. **Compliance with Laws** To the best of our knowledge, the District is not, in any manner material to the issuance of the Bonds or the Debt Assessments, in breach of or default under any applicable provision of the Act or constitutional provision, statute, or administrative regulation of the State of Florida, or any applicable judgment or decree, any loan agreement, indenture, bond, note, resolution, agreement (including the Bond Agreements and Indenture), or any other material instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and to the best of our knowledge, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the District under any such instrument; provided, however, that no opinion is expressed as to compliance with any state or federal tax or securities laws.

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

#### D. CERTAIN ASSUMPTIONS

In rendering the foregoing opinions, we have assumed the following: (1) that all public records, certifications, agreements and other documents examined by us that have been executed or certified by public officials acting within the scope of their official capacities are authentic, truthful and accurate; (2) that copies of such public records, certifications, agreements, and other documents furnished to us are authentic and conform to the originals; (3) that all signatures on executed public records, certifications, agreements and other documents are genuine; and (4) that all public records, certifications, agreements and other documents have been properly authorized and are binding on each of the other parties thereto. Such assumptions do not apply to District documents.

#### E. CERTAIN QUALIFICATIONS

The foregoing opinions are subject to the following qualifications:

- 1. The opinions or statements expressed above are based solely on the laws of Florida in effect at the time of issuance of the Bonds. Accordingly, we express no opinion nor make any statement regarding the effect or application of the laws of the federal government (including but not limited to the Internal Revenue Code or any proposed changes thereto), or any other state or other jurisdiction.
- 2. Our opinion as to enforceability of any document is subject to limitations imposed by bankruptcy, insolvency, reorganization, moratorium, liquidation, readjustment of debt, or similar laws, relating to or affecting creditors' rights generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and to the exercise of judicial discretion in appropriate cases, including the fact that specific performance and other equitable remedies are granted only in the discretion of a court.
- 3. Nothing herein shall be construed as an opinion regarding the possible applicability of state securities or "blue sky" laws or federal securities laws, as to which no opinion is expressed.
- 4. We further express no opinion as to the necessity for an interest rate waiver under Florida law, or the applicability of any provision or section of the Internal Revenue Code.
- 5. We express no opinion and make no representations with regard to financial information or statistical data. We express no opinion as to compliance with any state or federal tax laws.
- 6. We have not reviewed, and therefore express no opinion, regarding any land use, real property or other related items, including but not limited to whether the Landowners are able

to convey good and marketable title to any particular real property or interest therein and related to the Projects.

- 7. With respect to any of the opinions set forth in this letter which are based on or qualified by the phrase "to our knowledge," the words "to our knowledge" signify that, in the course of our representation of the District, no facts have come to our attention that would give us actual knowledge that any such opinions or other matters are not accurate. Except to the extent expressly set forth herein, we have not undertaken any independent investigation to determine the existence or absence of any such facts, and no inference as to our knowledge of the existence of such facts should be drawn from the fact of our representation of District.
- 8. The opinions set forth herein are based on factual representations made to us as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the courts or any other entity; rather, our opinions represent our professional judgment based on our review of existing law, and in reliance on the representations and covenants that we deem relevant to such opinions.

Very truly yours,	
Hopping Green & Sams P.A.	
For the Firm	

## **EXHIBIT E**

#### LANDOWNERS' COUNSEL OPINION

, 2020
Highland Meadows West Community Development District Haines City, Florida
FMSbonds, Inc. North Miami Beach, Florida
U.S. Bank National Association Orlando, Florida
Greenberg Traurig, P.A. Miami, Florida
GrayRobinson, P.A. Tampa, Florida
Re: Highland Meadows West Community Development District \$ Special Assessment Bonds, Series 2020A (Assessment Area 2 Project) and \$ Special Assessment Bonds, Series 2020A (Assessment Area 3 Project) (collectively, the "Bonds")

#### Ladies and Gentlemen:

I am counsel to Orchid Terrace Development, LLC, a Florida limited liability company (the "Assessment Area 2 Landowner") and Orchid Terrace Group, LLC, a Florida limited liability company (the "Assessment Area 3 Landowner" and, together with the Assessment Area 2 Landowner, the "Landowners"), which are the owners of certain land within the planned community located in the Haines City, Florida and commonly referred to as "Orchid Terrace," as such lands are described in the Limited Offering Memoranda (as hereinafter defined). This opinion is rendered at the request of the Landowners in connection with the issuance by the Highland Meadows West Community Development District (the "District") of the above-referenced Bonds, as further described in the District's Preliminary Limited Offering Memorandum dated \_\_\_\_\_\_\_\_, 2020 and the District's final Limited Offering Memorandum, dated \_\_\_\_\_\_\_\_, 2020, including the appendices attached thereto (collectively, the "Limiting Offering Memoranda"). Capitalized terms not defined herein shall have the meaning set forth in the Limited Offering Memoranda.

It is my understanding that the Assessment Area 2 Bonds are being issued for the purposes of (i) providing funds to pay all or a portion of the costs of the planning, financing, acquisition, construction, equipping and installation of the Assessment Area 2 Project,

(ii) funding a deposit to the Assessment Area 2 Reserve Account in the amount of the Assessment Area 2 Reserve Requirement, (iii) paying a portion of the interest coming due on the Assessment Area 2 Bonds, and (iv) paying the costs of issuance of the Assessment Area 2 Bonds.

It is also my understanding that the Assessment Area 3 Bonds are being issued for the purposes of (i) providing funds to pay all or a portion of the costs of the planning, financing, acquisition, construction, equipping and installation of the Assessment Area 3 Project, (ii) funding a deposit to the Assessment Area 3 Reserve Account in the amount of the Assessment Area 3 Reserve Requirement, (iii) paying a portion of the interest coming due on the Assessment Area 3 Bonds, and (iv) paying the costs of issuance of the Assessment Area 3 Bonds.

In my capacity as counsel to the Landowners, I have examined originals or copies identified to my satisfaction as being true copies of the Limiting Offering Memoranda, the Continuing Disclosure Agreements to be dated as of the Closing Date (the "Continuing Disclosure Agreements"), by and among the District, the Landowners, and Governmental Management Services - Central Florida, LLC, as dissemination agent, the Agreements Regarding the Completion of Certain Improvements by and between the District and the Assessment Area 2 Landowner, and by and between the District and the Assessment Area 3 Landowner, each dated as of the Closing Date (the "Completion Agreements"), the Agreements Regarding the Acquisition of Real Property by and between the District and the Assessment Area 2, and by and between the District and the Assessment Area 3 Landowner, each dated as of the Closing Date (the "Acquisition Agreements"), the Collateral Assignment and Assumption of Development Rights Relating to the Assessment Area 2 Project by and between the District and the Assessment Area 2 Landowner, and the Collateral Assignment and Assumption of Development Rights Relating to the Assessment Area 3 Project by and between the District and the Assessment Area 3 Landowner, each dated as of the Closing Date (the "Collateral Assignments"), the Agreements Regarding True-Up by and between the District and the Assessment Area 2 Landowner, and by and between the District and the Assessment Area 3 Landowner, each dated as of the Closing Date (the "True-Up Agreements"), and the Declarations of Consent to Jurisdiction of the District, Imposition of Special Assessments and Imposition of Lien of Record dated as of the Closing Date and executed by the Landowners (the "Declarations of Consent") (collectively, the "Documents") and have made such examination of law as I have deemed necessary or appropriate in rendering this opinion. In connection with the forgoing, I also have reviewed and examined (i) the Operating Agreement of the Assessment Area 2 Landowner dated as of \_\_\_\_\_\_, 20\_\_ and the Assessment Area 2 Landowner's Articles of Organization filed on \_\_\_\_\_\_\_, 20\_\_\_\_, (ii) the Operating Agreement of the Assessment Area 3 Landowner dated as of \_\_\_\_\_\_\_, 20\_\_\_ and the Assessment Area 3 Landowner's Articles of Organization filed on \_\_\_\_\_\_, 20\_\_, and (iii) certificates of good standing issued by the State of Florida for the Assessment Area 2 Landowner and the Assessment Area 3 Landowner on \_\_\_\_\_\_, 2020 (collectively, the "Organizational Documents").

In rendering this opinion, I have assumed, without having made any independent investigation of the facts, the genuineness of all signatures (other than those of the Landowners) and the authenticity of all documents submitted to me as originals and the conformity to original documents of all documents submitted to me as certified, conformed or photostatic copies, and the legal capacity of all natural persons.

In basing the opinions set forth in this opinion on "my knowledge," the words "my knowledge" signify that, in the course of my representation of Landowners, no facts have come to my attention that would give me actual knowledge or actual notice that any such opinions or other matters are not accurate. Except as otherwise stated in this opinion, I have undertaken no investigation or verification of such matters.

Based on the forgoing, I am of the opinion that:

- 1. Each of the Landowners is a limited liability company organized and existing under the laws of the State of Florida.
- 2. Each of the Landowners has the power to conduct its business and to undertake the funding of the development of the lands in the District as described in the Limited Offering Memoranda and to enter into the Documents.
- 3. The Documents, as applicable, have been duly authorized, executed and delivered by the Landowners and are in full force and effect. Assuming the due authorization, execution and delivery of such instruments by the other parties thereto and their authority to perform such instruments, the Documents constitute legal, valid and binding obligations of such Landowners, enforceable in accordance with their respective terms.
- 4. Nothing has come to my attention that would lead me to believe the information contained in the Limited Offering Memoranda under the captions "THE DEVELOPMENT," "THE LANDOWNERS," "LITIGATION The Landowners," and "CONTINUING DISCLOSURE" (as it relates to the Landowners only) does not accurately and fairly present the information purported to be shown or contains any untrue statement of a material fact nor omits to state any material fact necessary to make the statement made therein, in light of the circumstances under which they were made, not misleading as of the dates of the Limited Offering Memoranda or as of the date hereof.
- 5. The execution, delivery and performance of the Documents by the Landowners do not violate (i) the respective operating agreements of the Landowners, (ii) to my knowledge, any agreement, instrument or Federal or Florida law, rule or regulation known to me to which either of the Landowners is a party or by which any of such entity's assets are or may be bound; or (iii) to my knowledge, any judgment, decree or order of any administrative tribunal, which judgment, decree, or order is binding on such Landowner or its assets.
- 6. Nothing has come to my attention that would lead me to believe that either of the Landowners is not in compliance in all material respects with all provisions of applicable law in all material matters relating to such entity as described in the Limited Offering Memoranda. Except as otherwise described in the Limited Offering Memoranda, (a) I have no knowledge that the Landowners have not received all government permits, consents and licenses required in connection with the construction and completion of the development of Assessment Area 2 and Assessment Area 3, respectively, as described in the Limited Offering Memoranda; (b) I have no knowledge of any default of any zoning condition, land use permit or development agreement which would adversely affect the respective Landowners' ability to complete development of Assessment Area 2 and Assessment Area 3, as described in the Limited Offering Memoranda

and all appendices thereto; and (c) I have no knowledge and am not otherwise aware of any reason to believe that any permits, consents and licenses required to complete the development of Assessment Area 2 and Assessment Area 3 as described in the Limited Offering Memoranda will not be obtained in due course as required by the respective Landowners.

- 7. To the best of my knowledge after due inquiry, the levy of the Series 2020A Special Assessments on the applicable lands within the District will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which either of the Landowners is a party or to which either of the Landowners or any of their property or assets are subject.
- 8. To the best of my knowledge after due inquiry, there is no litigation pending which would prevent or prohibit the development of Assessment Area 2 or Assessment Area 3 in accordance with the descriptions thereof in the Limited Offering Memoranda and the Engineer's Report annexed thereto or which may result in any material adverse change in the respective business, properties, assets or financial condition of the Landowners.
- 9. To the best of my knowledge after due inquiry, neither of the Landowners 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. To the best of my knowledge after due inquiry, neither of the Landowners 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. To the best of my knowledge after due inquiry, neither of the Landowners is in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets are subject, which default would have a material adverse effect on the Series 2020A Bonds or the development of Assessment Area 2, the Assessment Area 2 Project, Assessment Area 3 or the Assessment Area 3 Project.

This opinion is given as of the date hereof, and I disclaim any obligation to update this opinion letter for events occurring after the date of this opinion letter. The foregoing opinion applies only with respect to the laws of the State of Florida and the federal laws of the United States of America and I express no opinion with respect to the laws of any other jurisdiction. Nothing herein shall be construed as an opinion regarding the possible applicability of state securities or "blue sky" laws, as to which no opinion is expressed. This letter is for the benefit of and may be relied upon solely by the addressees and this opinion may not be relied upon in any manner, nor used, by any other persons or entities.

My opinion as to enforceability of any document is subject to limitations imposed by bankruptcy, insolvency, reorganization, moratorium, liquidation, readjustment of debt, or similar laws relating to or affecting creditor's rights generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and to the exercise of judicial discretion in appropriate cases.

Very truly yours,

STRAUGHN & TURNER, P.A.

#### EXHIBIT F-1

#### CERTIFICATE OF ASSESSMENT AREA 2 LANDOWNER

ORCHID TERRACE DEVELOPMENT, LLC, a Florida limited liability company (the "Assessment Area 2 Landowner"), DOES HEREBY CERTIFY, that:

1. This Certificate of Landowner is furnished pursuant to Section 8(c)(10) of the
Bond Purchase Contract dated, 2020 (the "Purchase Contract") between
Highland Meadows West Community Development District (the "District") and FMSbonds, Inc.
(the "Underwriter") relating to the sale by the District of its \$ original aggregate
principal amount of Special Assessment Bonds, Series 2020A (Assessment Area 2 Project) (the
"Assessment Area 2 Bonds") and its \$ original aggregate principal amount of
Special Assessment Bonds, Series 2020A (Assessment Area 3 Project) (the "Assessment Area 3
Bonds" and, together with the Assessment Area 2 Bonds, the "Series 2020A Bonds").
Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the
Purchase Contract.
2. The Assessment Area 2 Landowner is a limited liability company organized and
existing under the laws of the State of Florida.
2 D
3. Representatives of the Assessment Area 2 Landowner have provided information
to the District to be used in connection with the offering by the District of its Series 2020A
Bonds, pursuant to a Preliminary Limited Offering Memorandum dated, 2020
and the Limited Offering Memorandum, dated, 2020, including the appendices

4. The Declaration of Consent to Jurisdiction of Highland Meadows West Community Development District and to Imposition of Special Assessments dated \_\_\_\_\_\_\_, 2020 executed by the Assessment Area 2 Landowner and to be recorded in the public records of Polk County, Florida (the "Declaration of Consent"), constitutes a valid and binding obligation of the Assessment Area 2 Landowner, enforceable against the Assessment Area 2 Landowner in accordance with its terms.

attached thereto (collectively, the "Limited Offering Memoranda").

5. The Assessment Area 2 Landowner has reviewed and approved the information contained in the Limited Offering Memoranda under the captions "THE SERIES 2020A PROJECT," "THE DEVELOPMENT," "THE LANDOWNERS," "BONDOWNERS' RISKS" (as it relates to the Assessment Area 2 Landowner, the Development and non-specific Bondholder risks), "LITIGATION – The Landowners" and "CONTINUING DISCLOSURE" (as it relates to the Assessment Area 2 Landowner) and warrants and represents that such information did not as of their respective dates, 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 the light of the circumstances under which they were made, not misleading. In addition, the Assessment Area 2 Landowner 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 Assessment Area 2 Landowner represents and warrants that it has complied with and will continue to comply with Chapter 190.048, <u>Florida Statutes</u>, 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 Assessment Area 2 Landowner which has not been disclosed in the Limited Offering Memoranda.
- 8. The Assessment Area 2 Landowner hereby represents that it owns that the lands in the District that will be subject to the Assessment Area 2 Special Assessments as described in the Limited Offering Memoranda, and the Assessment Area 2 Landowner hereby consents to the levy of the Assessment Area 2 Special Assessments on the lands in the District owned by the Assessment Area 2 Landowner. The levy of the Assessment Area 2 Special Assessments on the Lands in the District will not conflict with or constitute a breach of or default under any agreement, mortgage, lien or other instrument to which the Assessment Area 2 Landowner is a party or to which its property or assets are subject.
- 9. The Assessment Area 2 Landowner 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 Assessment Area 2 Landowner 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 Assessment Area 2 Landowner acknowledges that the Assessment Area 2 Bonds have the debt service requirements set forth in the Limited Offering Memorandum and that the Assessment Area 2 Special Assessments will be levied by the District at times, and in amounts sufficient, to enable the District to pay debt service on the Assessment Area 2 Bonds when due.
- 11. To the best of our knowledge, the Assessment Area 2 Landowner is not in default under any other resolution, ordinance, agreement or indenture, mortgage, lease, deed of trust, note or other instrument to which the Assessment Area 2 Landowner is subject or by which the Assessment Area 2 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 Documents, the Declaration of Consent or on the Development and is current in the payment of all ad valorem, federal and state taxes associated with the development of Assessment Area 2.
- 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 Assessment Area 2 Landowner (or any basis therefor) (a) seeking to restrain or enjoin the execution or delivery of Financing Documents, Declaration of Consent and/or Ancillary Documents to which the

Assessment Area 2 Landowner is a party, (b) contesting or affecting the validity or enforceability of the Financing Documents, Declaration of Consent and/or Ancillary Documents, or any and all such other agreements or documents as may be required to be executed, or the transactions contemplated thereunder, (c) contesting or affecting the establishment or existence of the Assessment Area 2 Landowner or of the Assessment Area 2 Landowner's business, assets, property or conditions, financial or otherwise, or contesting or affecting any of the powers of the Assessment Area 2 Landowner, or (d) that would have a material and adverse effect upon the ability of the Assessment Area 2 Landowner to (i) complete the development of lands within Assessment Area 2 as described in the Limited Offering Memoranda, (ii) pay the Assessment Area 2 Special Assessments, or (iii) perform its various obligations as described in the Limited Offering Memoranda.

- Landowner is in compliance in all material respects with all provisions of applicable law in all material matters relating to the development of Assessment Area 2 as described in the Limited Offering Memoranda, including applying for all necessary permits. Except as otherwise described in the Limited Offering Memoranda, (a) Assessment Area 2 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 Assessment Area 2 Landowner is not aware of any default of any zoning condition, permit or development agreement which would adversely affect the Assessment Area 2 Landowner's ability to complete or cause the completion of development of Assessment Area 2 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 the development of Assessment Area 2 as described in the Offering Memoranda will not be obtained as required.
- 14. The Assessment Area 2 Landowner acknowledges that it will have no rights under Chapter 170, <u>Florida Statutes</u>, as amended, to prepay, without interest, the Assessment Area 2 Special Assessments imposed on lands in the District owned by the Assessment Area 2 Landowner within thirty (30) days following completion of the Assessment Area 2 Project and acceptance thereof by the District.
- 15. The Assessment Area 2 Landowner has never failed to comply in all material respects with any disclosure obligations pursuant to SEC Rule 15c2-12.
- 16. The Assessment Area 2 Landowner is not in default of any obligations to pay special assessments, and the Assessment Area 2 Landowner is not insolvent.

Dated:, 2020.	ORCHID TERRACE DEVELOPMENT, LLC, a Florida limited liability company
	By:

#### EXHIBIT F-2

#### CERTIFICATE OF ASSESSMENT AREA 3 LANDOWNER

ORCHID TERRACE GROUP, LLC, a Florida limited liability company (the "Assessment Area 3 Landowner"), DOES HEREBY CERTIFY, that:

1. This Certificate of Landowner is	s furnished pursuant to Section 8(c)(10) of the
Bond Purchase Contract dated	, 2020 (the "Purchase Contract") between
Highland Meadows West Community Developm	nent District (the "District") and FMSbonds, Inc.
(the "Underwriter") relating to the sale by the	District of its \$ original aggregate
principal amount of Special Assessment Bonds,	Series 2020A (Assessment Area 2 Project) (the
"Assessment Area 2 Bonds") and its \$	original aggregate principal amount of
Special Assessment Bonds, Series 2020A (Asses	ssment Area 3 Project) (the "Assessment Area 3
Bonds" and, together with the Assessment	Area 2 Bonds, the "Series 2020A Bonds")
Capitalized terms used, but not defined, herein	shall have the meaning assigned thereto in the
Purchase Contract.	

- 2. The Assessment Area 3 Landowner is a limited liability company organized and existing under the laws of the State of Florida.
- 3. Representatives of the Assessment Area 3 Landowner have provided information to the District to be used in connection with the offering by the District of its Series 2020A Bonds, pursuant to a Preliminary Limited Offering Memorandum dated \_\_\_\_\_\_\_\_, 2020 and the Limited Offering Memorandum, dated \_\_\_\_\_\_\_\_, 2020, including the appendices attached thereto (collectively, the "Limited Offering Memoranda").
- 4. The Declaration of Consent to Jurisdiction of Highland Meadows West Community Development District and to Imposition of Special Assessments dated \_\_\_\_\_\_\_, 2020 executed by the Assessment Area 3 Landowner and to be recorded in the public records of Polk County, Florida (the "Declaration of Consent"), constitutes a valid and binding obligation of the Assessment Area 3 Landowner, enforceable against the Assessment Area 3 Landowner in accordance with its terms.
- 5. The Assessment Area 3 Landowner has reviewed and approved the information contained in the Limited Offering Memoranda under the captions "THE SERIES 2020A PROJECT," "THE DEVELOPMENT," "THE LANDOWNERS," "BONDOWNERS' RISKS" (as it relates to the Assessment Area 3 Landowner, the Development and non-specific Bondholder risks), "LITIGATION The Landowners" and "CONTINUING DISCLOSURE" (as it relates to the Assessment Area 3 Landowner) and warrants and represents that such information did not as of their respective dates, 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 the light of the circumstances under which they were made, not misleading. In addition, the Assessment Area 3 Landowner 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 Assessment Area 3 Landowner represents and warrants that it has complied with and will continue to comply with Chapter 190.048, <u>Florida Statutes</u>, 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 Assessment Area 3 Landowner which has not been disclosed in the Limited Offering Memoranda.
- 8. The Assessment Area 3 Landowner hereby represents that it owns that the lands in the District that will be subject to the Assessment Area 3 Special Assessments as described in the Limited Offering Memoranda, and the Assessment Area 3 Landowner hereby consents to the levy of the Assessment Area 3 Special Assessments on the lands in the District owned by the Assessment Area 3 Landowner. The levy of the Assessment Area 3 Special Assessments on the Lands in the District will not conflict with or constitute a breach of or default under any agreement, mortgage, lien or other instrument to which the Assessment Area 3 Landowner is a party or to which its property or assets are subject.
- 9. The Assessment Area 3 Landowner 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 Assessment Area 3 Landowner 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 Assessment Area 3 Landowner acknowledges that the Assessment Area 3 Bonds have the debt service requirements set forth in the Limited Offering Memorandum and that the Assessment Area 3 Special Assessments will be levied by the District at times, and in amounts sufficient, to enable the District to pay debt service on the Assessment Area 3 Bonds when due.
- 11. To the best of our knowledge, the Assessment Area 3 Landowner is not in default under any other resolution, ordinance, agreement or indenture, mortgage, lease, deed of trust, note or other instrument to which the Assessment Area 3 Landowner is subject or by which the Assessment Area 3 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 Documents, the Declaration of Consent or on the Development and is current in the payment of all ad valorem, federal and state taxes associated with the development of Assessment Area 3.
- 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 Assessment Area 3 Landowner (or any basis therefor) (a) seeking to restrain or enjoin the execution or delivery of Financing Documents, Declaration of Consent and/or Ancillary Documents to which the

Assessment Area 3 Landowner is a party, (b) contesting or affecting the validity or enforceability of the Financing Documents, Declaration of Consent and/or Ancillary Documents, or any and all such other agreements or documents as may be required to be executed, or the transactions contemplated thereunder, (c) contesting or affecting the establishment or existence of the Assessment Area 3 Landowner or of the Assessment Area 3 Landowner's business, assets, property or conditions, financial or otherwise, or contesting or affecting any of the powers of the Assessment Area 3 Landowner, or (d) that would have a material and adverse effect upon the ability of the Assessment Area 3 Landowner to (i) complete the development of lands within Assessment Area 3 as described in the Limited Offering Memoranda, (ii) pay the Assessment Area 3 Special Assessments, or (iii) perform its various obligations as described in the Limited Offering Memoranda.

- 13. To the best of our knowledge after due inquiry, the Assessment Area 3 Landowner is in compliance in all material respects with all provisions of applicable law in all material matters relating to the development of Assessment Area 3 as described in the Limited Offering Memoranda, including applying for all necessary permits. Except as otherwise described in the Limited Offering Memoranda, (a) Assessment Area 3 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 Assessment Area 3 Landowner is not aware of any default of any zoning condition, permit or development agreement which would adversely affect the Assessment Area 3 Landowner's ability to complete or cause the completion of development of Assessment Area 3 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 the development of Assessment Area 3 as described in the Offering Memoranda will not be obtained as required.
- 14. The Assessment Area 3 Landowner acknowledges that it will have no rights under Chapter 170, Florida Statutes, as amended, to prepay, without interest, the Assessment Area 3 Special Assessments imposed on lands in the District owned by the Assessment Area 3 Landowner within thirty (30) days following completion of the Assessment Area 3 Project and acceptance thereof by the District.
- 15. The Assessment Area 3 Landowner has never failed to comply in all material respects with any disclosure obligations pursuant to SEC Rule 15c2-12.
- 16. The Assessment Area 3 Landowner is not in default of any obligations to pay special assessments, and the Assessment Area 3 Landowner is not insolvent.

Dated:, 2020.	ORCHID TERRACE GROUP, LLC, a Florida limited liability company
	By:

## APPENDIX G

#### **CERTIFICATE OF ENGINEER**

CERTIFICATE OF WOOD & ASSOCIATES ENGINEERING, LLC (formerly Dennis Wood Engineering, LLC) (the "Engineers"), DOES HEREBY CERTIFY, that:

1. This certificate is furnished pursuant to Section 8(c)(17) of the Bond Purchase
Contract dated, 2020 (the "Purchase Contract"), by and between Highland
Meadows West Community Development District (the "District") and FMSbonds, Inc. with
respect to the District's \$ original aggregate principal amount of Special Assessment
Bonds, Series 2020A (Assessment Area 2 Project) (the "Assessment Area 2 Bonds") and its
\$ original aggregate principal amount of Special Assessment Bonds, Series 2020A
(Assessment Area 3 Project) (the "Assessment Area 3 Bonds" and, together with the Assessment
Area 2 Bonds, the "Bonds"). Capitalized terms used, but not defined, herein shall have the
meaning assigned thereto in the Purchase Contract or the Preliminary Limited Offering
Memorandum dated, 2020 and the Limited Offering Memorandum, dated
, 2020, including the appendices attached thereto, relating to the Bonds
(collectively, the "Limited Offering Memoranda"), as applicable.

- 2. The Engineers have been retained by the District as the District Engineer.
- 3. The plans and specifications for the Assessment Area 2 Project and the Assessment Area 3 Project (each as described in the Limited Offering Memoranda and, collectively, the "Projects") 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 or are expected to be obtained in the ordinary course of business.
- 4. The Engineers prepared the report entitled "Highland Meadows West Community Development District Engineer's Report for Capital Improvements" dated July 2018 as supplemented by the "Supplemental Engineer's Report for Capital Improvements" dated September 18, 2019 (collectively, 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 Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and a description of the Report and certain other information relating to the Projects are included in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions "THE CAPITAL IMPROVEMENT PLAN AND THE PROJECTS" 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 made therein, in light of the circumstances under which they were made, not misleading.
- 5. The Engineers hereby consent to the inclusion of the Report as "APPENDIX A: ENGINEER'S REPORT" to the Preliminary Limited Offering Memorandum and the Limited

Offering Memorandum and to the references to the Engineers in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

- 6. The Projects are being constructed in sound workmanlike manner and in accordance with industry standards.
- 7. The price being paid by the District to the Landowners for acquisition of the improvements included within the respective Projects will not exceed the lesser of the cost of such Projects or the fair market value of the assets acquired by the District.
- 8. To the best of our knowledge, after due inquiry, the Landowners are each in compliance in all material respects with all provisions of applicable law in all material matters relating to such Landowner and the development of the respective Assessment Areas 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 Projects as described in the Limited Offering Memoranda have been received; (b) we are not aware of the any default of any zoning condition, land use permit or development agreement which would adversely affect the ability to complete development of the respective Assessment Areas 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 Projects and the development of the Assessment Areas as described in the Limited Offering Memoranda and all appendices thereto will not be obtained in due course as required by the respective Landowners.

# EXHIBIT H

# CERTIFICATE OF DISTRICT MANAGER AND METHODOLOGY CONSULTANT

	, 2020
Highland Me Haines City,	adows West Community Development District Florida
FMSbonds, I North Miami	nc. Beach, Florida
Re:	Highland Meadows West Community Development District \$
Ladies and G	entlemen:
	undersigned representative of Governmental Management Services – Central ("GMS"), DOES HEREBY CERTIFY:
Meadows W respect to the Bonds, Serie \$	This certificate is furnished pursuant to Section 8(c)(18) of the Bond Purchase ed, 2020 (the "Purchase Contract"), by and between Highland est Community Development District (the "District") and FMSbonds, Inc. with District's \$ original aggregate principal amount of Special Assessment so 2020A (Assessment Area 2 Project) (the "Assessment Area 2 Bonds") and its original aggregate principal amount of Special Assessment Bonds, Series 2020A Area 3 Project) (the "Assessment Area 3 Bonds" and, together with the Assessment so, the "Series 2020A Bonds"). Capitalized terms used, but not defined, herein shall ning assigned thereto in the Purchase Contract or the Limited Offering Memoranda et Series 2020A Bonds, as applicable.
participated	GMS has acted as district manager and methodology consultant to the District in with the sale and issuance by the District of its Series 2020A Bonds and has in the preparation of the Preliminary Limited Offering Memorandum dated, 2020 and the Limited Offering Memorandum, dated, 2020, appendices attached thereto (collectively, the "Limited Offering Memoranda").
Meadows We Supplementa 2020] (collectine included as a	In connection with the issuance of the Series 2020A Bonds, we have been the District to prepare the [Master Assessment Methodology Report for Highland est Community Development District dated July 24, 2018, as supplemented by the Assessment Methodology for the Series 2020A Bonds dated, tively, the "Assessment Methodology"), which Assessment Methodology has been appendix to the Limited Offering Memoranda. We hereby consent to the use of the Methodology in the Limited Offering Memoranda and consent to the references

- 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 Methodology, as of their respective dates and as of this date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.
- 5. The information set forth in the Limited Offering Memoranda under the subcaptions "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS," "THE DISTRICT," "FINANCIAL STATEMENTS," "LITIGATION" (insofar as such description relates to the District), "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS," "CONTINUING DISCLOSURE," "CONTINGENT FEES," and in "APPENDIX E: ASSESSMENT METHODOLOGY" did not as of the respective 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 the 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 Methodology and the considerations and assumptions used in compiling the Assessment Methodology are reasonable. The Assessment Methodology and the assessment methodology set forth therein were prepared in accordance with all applicable provisions of Florida law.
- 7. As District Manager [and Registered Agent] 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 Series 2020A Bonds, or in any way contesting or affecting the validity of the Series 2020A Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the Series 2020A Bonds, or the existence or powers of the District.
- 8. The Assessment Area 2 Special Assessments and the Assessment Area 3 Special Assessments, as initially levied and as may be reallocated from time to time as permitted by resolutions adopted by the District, are sufficient to enable the District to pay the debt service on the Assessment Area 2 Bonds and the Assessment Area 3 Bonds, respectively, through the final maturity thereof.

Dated:	, 2020.	GOVERNMENTAL MANAGEMENT SERVICES – CENTRAL FLORIDA, LLC, a Florida limited liability company				
		By: Name: Title:				

# **EXHIBIT D**

# FORM OF PRELIMINARY LIMITED OFFERING MEMORANDUM

DRAFT-1

GrayRobinson, P.A. December 30, 2019

#### PRELIMINARY LIMITED OFFERING MEMORANDUM DATED

2020

NEW ISSUES - BOOK-ENTRY-ONLY LIMITED OFFERING

NOT RATED

In the opinion of Greenberg Traurig, P.A., Bond Counsel, assuming continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, interest on each Series of the Series 2020A Bonds (as hereinafter defined) is excludable from gross income for federal income tax purposes. Further, interest on each Series of the Series 2020A Bonds will not be an item of tax preference for purposes of the alternative minimum tax imposed on individuals. See "TAX MATTERS" herein for a description of certain other federal tax consequences of ownership of the Series 2020A Bonds. Bond Counsel is further of the opinion that the Series 2020A Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. See "TAX MATTERS" herein.

# HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT (HAINES CITY, FLORIDA)

\$\_\_\_\_\*
SPECIAL ASSESSMENT BONDS, SERIES 2020A
(ASSESSMENT AREA 2 PROJECT)

SPECIAL ASSESSMENT BONDS, SERIES 2020A (ASSESSMENT AREA 3 PROJECT)

Dated: Date of Delivery Due: As described herein

The Highland Meadows West Community Development District Special Assessment Bonds, Series 2020A (Assessment Area 2 Project) (the "Assessment Area 2 Bonds") and Special Assessment Bonds, Series 2020A (Assessment Area 3 Project) (the "Assessment Area 3 Bonds" and, together with the Assessment Area 2 Bonds, the "Series 2020A Bonds") are being issued by the Highland Meadows West Community Development District (the "District" or the "Issuer") in fully registered form, without coupons, in authorized denominations of \$5,000 and any integral multiple thereof. The Series 2020A Bonds will bear interest at the fixed rates set forth in the inside cover page hereof, calculated on the basis of a 360-day year comprised of twelve 30-day months, payable semi-annually on each May 1 and November 1, 1, 2020. The Series 2020A Bonds, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the Series 2020A Bonds will be made in bookentry-only form and purchasers of beneficial interests in the Series 2020A Bonds will not receive physical bond certificates. For so long as the book-entry only system is maintained, the principal of and interest on the Series 2020A Bonds will be paid from the sources provided by the Indenture (as defined herein) by U.S. Bank National Association, as trustee (the "Trustee"), to Cede & Co., as nominee of DTC, as the registered owner thereof. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of the DTC Participants and Indirect Participants, as more fully described herein. Any purchaser, as a beneficial owner of a Series 2020A Bond, must maintain an account with a broker or dealer who is, or acts through, a DTC Participant in order to receive payment of the principal of, premium, if any, and interest on such Series 2020A Bond. See "DESCRIPTION OF THE SERIES 2020A BONDS - Book-Entry Only System" herein.

The Assessment Area 2 Bonds are being issued for the purposes of (i) providing funds to pay all or a portion of the costs of the planning, financing, acquisition, construction, equipping and installation of the Assessment Area 2 Project (as defined herein), (ii) funding a deposit to the Assessment Area 2 Reserve Account in the amount of the Assessment Area 2 Reserve Requirement (as defined herein), (iii) paying a portion of the interest coming due on the Assessment Area 2 Bonds, and (iv) paying the costs of issuance of the Assessment Area 2 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" and "APPENDIX B: COPY OF MASTER INDENTURE AND PROPOSED FORMS OF SUPPLEMENTAL INDENTURES" hereto.

The Assessment Area 3 Bonds are being issued for the purposes of (i) providing funds to pay all or a portion of the costs of the planning, financing, acquisition, construction, equipping and installation of the Assessment Area 3 Project (as defined herein), (ii) funding a deposit to the Assessment Area 3 Reserve Account in the amount of the Assessment Area 3 Reserve Requirement (as defined herein), (iii) paying a portion of the interest coming due on the Assessment Area 3 Bonds, and (iv) paying the costs of issuance of the Assessment Area 3 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" and "APPENDIX B: COPY OF MASTER INDENTURE AND PROPOSED FORMS OF SUPPLEMENTAL INDENTURES" hereto.

The District is a local unit of special-purpose government of the State of Florida (the "State"), created in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and by Ordinance No. 18-045, duly enacted by the Board of County Commissioners of Polk County, Florida (the "County") on July 10, 2018, as amended by Ordinance No. \_\_\_\_ on January 7, 2020 (the "Ordinance"), and approved and consented to by the City Commission of Haines City, Florida (the "City") pursuant to Resolution No. 18-1310 adopted on May 3, 2018. The Series 2020A Bonds are being issued pursuant to the Act, Resolution Nos. 2018-24 and 2020-\_\_ adopted by the Board of Supervisors (the "Board") of the District on July 24, 2018, and January 8, 2020, respectively (collectively, the "Resolution"), and a Master Trust Indenture dated as of April 1, 2019 (the "Master Indenture"), and, with respect to the Assessment Area 2 Bonds, as supplemental Indenture" and, together with the Master Indenture, the "Assessment Area 2 Indenture") and, with respect to the Assessment Area 3 Bonds, as supplemented by a Third Supplemental Trust Indenture dated as of \_\_\_\_\_\_\_ 1, 2020 (the "Third Supplemental Indenture" and, together with the Master Indenture" and 3 Indenture"), each by and between the District and the Trustee. The Assessment Area 2 Indenture and

Assessment Area 3 Indenture are collectively referred to herein as the "Indenture." Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

The Assessment Area 2 Bonds are payable from and secured solely by the Assessment Area 2 Pledged Revenues. The "Assessment Area 2 Pledged Revenues" shall mean (a) all revenues received by the District from Assessment Area 2 Special Assessments (as defined herein) levied and collected on the assessable lands within Assessment Area 2 (as defined herein), benefitted by the Assessment Area 2 Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Assessment Area 2 Special Assessments or from the issuance and sale of tax certificates with respect to such Assessment Area 2 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Assessment Area 2 Indenture created and established with respect to or for the benefit of the Assessment Area 2 Bonds; provided, however, that Assessment Area 2 Pledged Revenues shall not include (A) any moneys transferred to the Assessment Area 2 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Assessment Area 2 Costs of Issuance Account of the Acquisition and Construction Fund, and (C) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance 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 Assessment Area 2 Indenture shall not apply to any of the moneys described in the foregoing clauses (A), (B) and (C) of this proviso). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020A BONDS" herein.

The Assessment Area 3 Bonds are payable from and secured solely by the Assessment Area 3 Pledged Revenues. The "Assessment Area 3 Pledged Revenues" shall mean (a) all revenues received by the District from Assessment Area 3 Special Assessments (as defined herein) levied and collected on the assessable lands within Assessment Area 3 (as defined herein), benefitted by the Assessment Area 3 Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Assessment Area 3 Special Assessments or from the issuance and sale of tax certificates with respect to such Assessment Area 3 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Assessment Area 3 Indenture created and established with respect to or for the benefit of the Assessment Area 3 Bonds; provided, however, that Assessment Area 3 Pledged Revenues shall not include (A) any moneys transferred to the Assessment Area 3 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Assessment Area 3 Costs of Issuance Account of the Acquisition and Construction Fund, and (C) "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 Assessment Area 3 Indenture shall not apply to any of the moneys described in the foregoing clauses (A), (B) and (C) of this proviso). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020A BONDS" herein.

Each Series of the Series 2020A Bonds are subject to optional redemption, mandatory sinking fund redemption and extraordinary mandatory redemption at the times, in the amounts, and at the redemption prices more fully described herein under the caption "DESCRIPTION OF THE SERIES 2020A BONDS — Redemption Provisions."

THE ASSESSMENT AREA 2 BONDS AND THE ASSESSMENT AREA 3 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE ASSESSMENT AREA 2 PLEDGED REVENUES AND THE ASSESSMENT AREA 3 PLEDGED REVENUES, RESPECTIVELY, PLEDGED THEREFOR UNDER THE ASSESSMENT AREA 2 INDENTURE AND THE ASSESSMENT AREA 3 INDENTURE, RESPECTIVELY, AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE CITY, THE COUNTY, THE STATE OF FLORIDA (THE "STATE"), OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SUCH SERIES 2020A BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE ASSESSMENT AREA 2 INDENTURE AND THE ASSESSMENT AREA 3 INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, ASSESSMENT AREA 2 SPECIAL ASSESSMENTS AND ASSESSMENT AREA 3 SPECIAL ASSESSMENTS TO SECURE AND PAY THE ASSESSMENT AREA 2 BONDS AND THE ASSESSMENT AREA 3 BONDS, RESPECTIVELY. THE SERIES 2020A BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE CITY, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

The Series 2020A Bonds involve a degree of risk (see "BONDOWNERS' RISKS" herein) and are not suitable for all investors (see "SUITABILITY FOR INVESTMENT" herein). Pursuant to Florida law, the Underwriter (as defined herein) is limiting this offering to "accredited investors" within the meaning of Chapter 517, Florida Statutes, and the rules of the Florida Department of Financial Services promulgated thereunder. The limitation of the initial offering to accredited investors does not denote restrictions on transfer in any secondary market for the Series 2020A Bonds. The Series 2020A Bonds are not credit enhanced or rated and no application has been made for a rating with respect to the Series 2020A Bonds.

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

The Series 2020A Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to the receipt of the opinion of Greenberg Traurig, P.A., Miami, Florida, Bond Counsel, as to the validity of the Series 2020A Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida, for the District by its counsel, Hopping Green & Sams P.A., Tallahassee, Florida, and for the Landowners (as defined herein) by their counsel, Straughn & Turner, P.A., Winter Haven, Florida. It is expected that the Series 2020A Bonds will be delivered in book-entry form through the facilities of DTC on or about February \_\_\_\_\_\_\_\_, 2020.

# FMSbonds, Inc.

Dated: \_\_\_\_\_, 2020

<sup>\*</sup> Preliminary, subject to change.

# PRINCIPAL AMOUNTS, INTEREST RATES, MATURITY DATES, YIELDS AND PRICES

## **Assessment Area 2 Bonds**

\$ 	% Term Bond due	1	1, 20	, Yield	%, Price	CUSIP#	*
\$ _	% Term Bond due	1	, 20	, Yield	%, Price	CUSIP#	*
\$ 	% Term Bond due	1	, 20	, Yield	%, Price	CUSIP#	*
\$ _	% Term Bond due	1	, 20	, Yield	%, Price	CUSIP#	*

# **Assessment Area 3 Bonds**

\$_		_% Term Bond due	1, 20_	, Yield _	%, Price	CUSIP # _	*
\$		% Term Bond due	1, 20	, Yield	%, Price	CUSIP#	*
\$		% Term Bond due	1, 20	, Yield	%, Price	CUSIP#	*
\$		% Term Bond due	1, 20	, Yield	%, Price	CUSIP#	*

<sup>\*</sup> 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.

#### HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT

#### **BOARD OF SUPERVISORS**

Warren "Rennie" Heath II, Chair\*
Lauren Schwenk, Vice Chair\*
Keaton Alexander, Assistant Secretary\*
Andrew Rhinehart, Assistant Secretary\*
Patrick Marone, Assistant Secretary\*

\*Affiliated with one or more of the Landowners or their affiliates

#### DISTRICT MANAGER/METHODOLOGY CONSULTANT

Governmental Management Services – Central Florida, LLC Orlando, Florida

#### **DISTRICT ENGINEER**

Wood & Associates Engineering, LLC Lakeland, Florida

## **DISTRICT COUNSEL**

Hopping Green & Sams P.A. Tallahassee, Florida

#### **BOND COUNSEL**

Greenberg Traurig, P.A. Miami, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DISTRICT. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OF THE SERIES 2020A BONDS AND THERE SHALL BE NO OFFER, SOLICITATION, OR SALE OF THE SERIES 2020A 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 LANDOWNERS (AS HEREINAFTER DEFINED), THE DISTRICT, PUBLIC DOCUMENTS, RECORDS AND OTHER SOURCES, WHICH SOURCES ARE BELIEVED TO BE RELIABLE BUT WHICH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF, THE UNDERWRITER NAMED ON THE COVER PAGE OF THIS LIMITED **OFFERING** MEMORANDUM. THE UNDERWRITER HAS **REVIEWED** INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN CONTAINED ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT OR THE LANDOWNERS OR IN THE STATUS OF THE DEVELOPMENT, THE ASSESSMENT AREA 2 PROJECT OR THE ASSESSMENT AREA 3 PROJECT (AS SUCH TERMS ARE HEREINAFTER DEFINED) SINCE THE DATE HEREOF.

THE SERIES 2020A 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 2020A BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF ANY JURISDICTIONS WHEREIN THESE SECURITIES HAVE BEEN OR WILL BE REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THE DISTRICT, THE CITY, THE COUNTY, THE STATE, NOR ANY OTHER POLITICAL SUBDIVISIONS THEREOF HAVE GUARANTEED OR PASSED UPON THE MERITS OF THE SERIES 2020A BONDS, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM.

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

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

THIS LIMITED OFFERING MEMORANDUM IS BEING PROVIDED TO PROSPECTIVE PURCHASERS 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 PRINTED IN ITS ENTIRETY DIRECTLY FROM EITHER OF SUCH WEBSITES.

THIS PRELIMINARY LIMITED OFFERING MEMORANDUM IS IN A FORM DEEMED FINAL BY THE DISTRICT FOR PURPOSES OF RULE 15C2-12 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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#### LIMITED OFFERING MEMORANDUM

## HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT (HAINES CITY, FLORIDA)

SPECIAL ASSESSMENT BONDS, SERIES 2020A
(ASSESSMENT AREA 2 PROJECT)

SPECIAL ASSESSMENT BONDS, SERIES 2020A
(ASSESSMENT AREA 3 PROJECT)

#### INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, inside cover, and appendices hereto, is to provide certain information in connection with the issuance and sale by Highland Meadows West Community Development District (the "District" or the "Issuer") of its \$\_\_\_\_\_\_\* aggregate principal amount of Special Assessment Bonds, Series 2020A (Assessment Area 2 Project) (the "Assessment Area 2 Bonds") and \$\_\_\_\_\_\* aggregate principal amount of Special Assessment Bonds, Series 2020A (Assessment Area 3 Project) (the "Assessment Area 3 Bonds" and, together with the Assessment Area 2 Bonds, the "Series 2020A Bonds").

PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF AND/OR INTEREST ON THE SERIES 2020A BONDS. THE SERIES 2020A BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. PURSUANT TO APPLICABLE STATE LAW, THE UNDERWRITER IS LIMITING THIS INITIAL OFFERING OF THE SERIES 2020A BONDS TO ONLY ACCREDITED INVESTORS WITHIN THE MEANING OF CHAPTER 517, FLORIDA STATUTES, AND THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES PROMULGATED THEREUNDER. THE LIMITATION OF THE INITIAL OFFERING TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFER IN ANY SECONDARY MARKET FOR THE SERIES 2020A BONDS. See "SUITABILITY FOR INVESTMENT" and "BONDOWNERS' RISKS" herein.

The District is a local unit of special-purpose government of the State of Florida (the "State"), created in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and by Ordinance No. 18-045, duly enacted by the Board of County Commissioners of Polk County, Florida (the "County") on July 10, 2018, as amended by Ordinance No. \_\_\_\_ on January 7, 2020 (the "Ordinance"), and approved and consented to by the City Commission of Haines City, Florida (the "City"). The District was established for the purpose of financing the acquisition and construction of and managing the maintenance and operation of certain community development services and facilities within and without its boundaries. The Act authorizes the District to issue bonds for purposes, among others, of financing and refinancing the costs of planning, financing, acquisition, design

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<sup>\*</sup> Preliminary, subject to change.

construction, reconstruction, equipping and installation of potable water and wastewater facilities.

The District encompasses approximately 97.67 acres of land (the "District Lands") and is located within the incorporated boundaries of the City. For more complete information about the District, its Board of Supervisors and the District Manager, see "THE DISTRICT" herein.

The District Lands are being developed as a residential community known as Orchid Terrace (the "Development"), which at buildout is expected to consist of approximately 442 single-family homes, recreation and amenity areas, parks and associated infrastructure. The Development is being developed in phases. See "THE DEVELOPMENT" herein for more information.

The District previously issued its \$6,385,000, Special Assessment Bonds, Series 2019 (the "Assessment Area 1 Bonds") to fund a portion of the public infrastructure improvements for Phase 1 of the District Lands. The Assessment Area 1 Bonds are secured by the Assessment Area 1 Special Assessments, which are levied on Phase 1 of the District Lands. Phase 1 of the District Lands contains approximately 57.76 acres of land and is planned for 266 single-family homes ("Assessment Area 1"). The lands in Assessment Area 1 are separate and distinct from the lands that will be subject to the Assessment Area 2 Special Assessments and the Assessment Area 3 Special Assessments (each as defined herein), which will secure the Assessment Area 2 Bonds and the Assessment Area 3 Bonds, respectively. For more information regarding Assessment Area 1, see "THE DEVELOPMENT – Update on Assessment Area 1" herein.

The District is issuing its Assessment Area 2 Bonds to fund a portion of the public infrastructure improvements for Phase 2 of the District Lands (the "Assessment Area 2 Project"). Phase 2 consists of approxiamtely 29.2 acres of land planned for 130 single-family homes ("Assessment Area 2"). The Assessment Area 2 Bonds will be secured by the "Assessment Area 2 Special Assessments," which are the Special Assessments levied on the lands within Assessment Area 2. See "CAPITAL IMPROVEMENT PLAN AND THE PROJECTS" and "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein for more information regarding the Assessment Area 2 Project and the Assessment Area 2 Special Assessments.

The District is issuing its Assessment Area 3 Bonds to fund a portion of the public infrastructure improvements for Phase 3 of the District Lands (the "Assessment Area 3 Project"). Phase 3 consists of approxiamtely 9.76 acres of land planned for 46 single-family homes ("Assessment Area 3"). The Assessment Area 3 Bonds will be secured by the "Assessment Area 3 Special Assessments," which are the Special Assessments levied on the lands within Assessment Area 3. See "CAPITAL IMPROVEMENT PLAN AND THE PROJECTS" and "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein for more information regarding the Assessment Area 3 Project and the Assessment Area 3 Special Assessments.

See "THE DEVELOPMENT" herein for more infromation regarding the development plan and status of Phases 2 and 3.

All of the lands in Assessment Area 2 are owned by [Orchid Terrace Development, LLC] (the "Assessment Area 2 Landowner"), and all of the lands in Assessment Area 3 are owned by [Orchid Terrace Group, LLC] (the "Assessment Area 3 Landowner" and, together with the Assessment Area 2 Landowner, the "Landowners"). See "THE LANDOWNERS" herein for more information. [An affiliate of the Assessment Area 2 Landowner] has entered into a builder contract with Lennar Homes (as defined herein) to purchase 128 fully developed lots in Assessment Area 2 in a single bulk sale. The Assessment Area 3 Landowner has entered into a builder contract with Ryan Homes (as defined herein) to purchase 46 fully developed lots in Assessment Area 3 and two lots in Assessment Area 2 in a series of quarterly takedowns. See "THE DEVELOPMENT – Builder Contracts" herein for more information.

The Assessment Area 2 Bonds are being issued for the purposes of (i) providing funds to pay all or a portion of the costs of the planning, financing, acquisition, construction, equipping and installation of the Assessment Area 2 Project, (ii) funding a deposit to the Assessment Area 2 Reserve Account in the amount of the Assessment Area 2 Reserve Requirement (as defined herein), (iii) paying a portion of the interest coming due on the Assessment Area 2 Bonds, and (iv) paying the costs of issuance of the Assessment Area 2 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" and "APPENDIX B: COPY OF MASTER INDENTURE AND PROPOSED FORMS OF SUPPLEMENTAL INDENTURES" hereto.

The Assessment Area 3 Bonds are being issued for the purposes of (i) providing funds to pay all or a portion of the costs of the planning, financing, acquisition, construction, equipping and installation of the Assessment Area 3 Project, (ii) funding a deposit to the Assessment Area 3 Reserve Account in the amount of the Assessment Area 3 Reserve Requirement (as defined herein), (iii) paying a portion of the interest coming due on the Assessment Area 3 Bonds, and (iv) paying the costs of issuance of the Assessment Area 3 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" and "APPENDIX B: COPY OF MASTER INDENTURE AND PROPOSED FORMS OF SUPPLEMENTAL INDENTURES" hereto.

The Assessment Area 2 Bonds are payable from and secured solely by the Assessment Area. The Assessment Area 3 Bonds are payable from and secured solely by the Assessment Area 3 Pledged Revenues. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE

SERIES 2020A BONDS" herein for more information regarding the Assessment Area 2 Pledged Revenues and the Assessment Area 3 Pledged Revenues.

Set forth herein are brief descriptions of the District, Assessment Area 2, Assessment Area 3, the Assessment Area 2 Project, the Assessment Area 3 Project, the Landowners and the Development, together with summaries of terms of the Series 2020A Bonds, the Indenture, and certain provisions of the Act. All references herein to the Indenture and the Act are qualified in their entirety by reference to such documents and the Act, and all references to the Series 2020A Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. A copy of the Master Indenture and proposed forms of the Second Supplemental Indenture and Third Supplemental Indenture appear as APPENDIX B attached hereto.

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

#### **DESCRIPTION OF THE SERIES 2020A BONDS**

## **General Description**

The Series 2020A Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$5,000 and any integral multiple thereof provided, except as otherwise provided in the Indenture. The Series 2020A Bonds will initially be offered only to "accredited investors" within the meaning of Chapter 517, Florida Statutes, as amended, and the rules of the Florida Department of Financial Services promulgated thereunder; provided, however, the limitation of the initial offering to accredited investors does not denote restrictions on transfer in any secondary market for the Series 2020A Bonds. See "SUITABILITY FOR INVESTMENT" herein.

Upon initial issuance, each Series of the Series 2020A Bonds shall be issued as one fully registered bond for each maturity of each Series of the Series 2020A Bonds and deposited with The Depository Trust Company ("DTC"), New York, New York, which is responsible for establishing and maintaining records of ownership for its participants. As long as a Series of the Series 2020A Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes of the applicable Indenture. DTC shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"). The DTC Participants and Indirect Participants will be responsible for maintaining records with respect to

the beneficial ownership interests of individual purchasers of the Series 2020A Bonds ("Beneficial Owners"). Principal and interest on the Series 2020A Bonds registered in the name of Cede & Co. prior to and at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC nor its nominee, the Trustee or the District. During the period for which Cede & Co. is registered owner of the Series 2020A Bonds, any notices to be provided to any Beneficial Owner will be provided to Cede & Co. DTC shall be responsible for notices to DTC Participants and DTC Participants shall be responsible for notices to Indirect Participants, and DTC Participants and Indirect Participants shall be responsible for notices to Beneficial Owners. In the event DTC, any successor of DTC or the District, but only in accordance with the procedures of DTC, elects to discontinue the book-entry only system for a Series of the Series 2020A Bonds, the Trustee shall deliver bond certificates in accordance with the instructions from DTC or its successor, and after such time the Bonds of such Series of Series 2020A Bonds may be exchanged for an equal aggregate principal amount of Bonds of such Series of Series 2020A Bonds in other Authorized Denominations upon surrender thereof at the designated corporate trust office of the Trustee. See "- Book-Entry Only System" herein.

## **Redemption Provisions**

## **Optional Redemption**

### Assessment Area 2 Bonds

The Assessment Area 2 Bonds maturing after [November 1, 20\_] may, at the option of the District be called for redemption prior to maturity as a whole or in part, at any time, on or after [November 1, 20\_] (less than all Assessment Area 2 Bonds of a maturity to be selected by lot), at a Redemption Price equal to the principal amount of Assessment Area 2 Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date through which interest has been paid to the redemption date from moneys on deposit in the Assessment Area 2 Optional Redemption Subaccount of the Assessment Area 2 Bond Redemption Account. If such optional redemption shall be in part, the District shall select such principal amount of Assessment Area 2 Bonds to be optionally redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 2 Bonds is substantially level.

### Assessment Area 3 Bonds

The Assessment Area 3 Bonds maturing after [November 1, 20\_] may, at the option of the District be called for redemption prior to maturity as a whole or in part, at any time, on or after [November 1, 20\_] (less than all Assessment Area 3 Bonds of a maturity to be selected by lot), at a Redemption Price equal to the principal amount of Assessment Area 3 Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date through which interest has been paid to the redemption date from moneys on deposit in the Assessment Area 3 Optional Redemption Subaccount of the Assessment Area 3 Bond Redemption Account. If such optional redemption shall be in part, the District shall select such principal amount of

Assessment Area 3 Bonds to be optionally redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 3 Bonds is substantially level.

## **Mandatory Sinking Fund Redemption**

#### Assessment Area 2 Bonds

The Assessment Area 2 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 2 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

	<u>Year</u>	Mandatory Sinking Fund Redemption Amount
		\$
	*	
*Maturity	-	

The Assessment Area 2 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 2 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

	<u>Year</u>	Mandatory Sinking Fund Redemption Amount
		\$
	*	
*Maturity		

The Assessment Area 2 Bonds maturing on [November 1, 20\_\_] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 2 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

<u>Year</u>	Mandatory Sinking Fund <u>Redemption Amount</u>	
	\$	

\*

*M-4		
*Maturity		
sinking fund redemption Account on November 1	from the moneys in the years and in	aring on [November 1, 20] are subject to mandatory s on deposit in the Assessment Area 2 Sinking Fund in the mandatory sinking fund redemption amounts set of their principal amount plus accrued interest to the
		Mandatory Sinking Fund
	<u>Year</u>	Redemption Amount
		\$
	*	
*Maturity		
·	<b>a</b> D = 1	
Assessment Area	3 Bonds	
sinking fund redemption Account on November 1	from the moneys in the years and in	aring on [November 1, 20] are subject to mandatory s on deposit in the Assessment Area 3 Sinking Fund in the mandatory sinking fund redemption amounts set of their principal amount plus accrued interest to the
	•	Mandatory Sinking Fund
	<u>Year</u>	Redemption Amount
		\$
	*	
*Maturity		
sinking fund redemption Account on November 1	from the moneys in the years and in	uring on [November 1, 20] are subject to mandatory s on deposit in the Assessment Area 3 Sinking Fund in the mandatory sinking fund redemption amounts set 6 of their principal amount plus accrued interest to the
		Mandatory Sinking Fund
	<u>Year</u>	Redemption Amount
		\$
	*	
*Maturity		

The Assessment Area 3 Bonds maturing on [November 1, 20 ] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 3 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

**Mandatory Sinking Fund Redemption Amount** Year \* \*Maturity

The Assessment Area 3 Bonds maturing on [November 1, 20 ] are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area 3 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

**Mandatory Sinking Fund Redemption Amount** Year \*Maturity

Upon any redemption of Bonds of a Series of Series 2020A Bonds other than in accordance with scheduled mandatory sinking fund redemptions, the District shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of such Series of Series 2020A Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of such Series of Series 2020A Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Bonds of such Series of Series 2020A Bonds in any year. In the event of a redemption or purchase occurring less than 45 days prior to a date on which a mandatory sinking fund redemption payment is due, the foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

## **Extraordinary Mandatory Redemption**

#### Assessment Area 2 Bonds

The Assessment Area 2 Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole or in part, on any date (other than in the case of clause (i) below, which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Assessment Area 2 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

- (i) from Assessment Area 2 Prepayment Principal deposited into the Assessment Area 2 Prepayment Subaccount of the Assessment Area 2 Bond Redemption Account following the payment in whole or in part of Assessment Area 2 Special Assessments on any assessable property within the District in accordance with the provisions of the Assessment Area 2 Indenture, together with any excess moneys transferred by the Trustee from the Assessment Area 2 Reserve Account to the Assessment Area 2 Prepayment Subaccount as a result of such Assessment Area 2 Prepayment and pursuant to the Assessment Area 2 Indenture. If such redemption shall be in part, the District shall select such principal amount of Assessment Area 2 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 2 Bonds is substantially level;
- (ii) from moneys, if any, on deposit in the Assessment Area 2 Funds, Accounts and Subaccounts in the Funds and Accounts (other than the Assessment Area 2 Rebate Fund and the Assessment Area 2 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Assessment Area 2 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture; and
- (iii) upon the Completion Date, from any funds remaining on deposit in the Assessment Area 2 Acquisition and Construction Account not otherwise reserved to complete the Assessment Area 2 Project and transferred to the Assessment Area 2 General Redemption Subaccount of the Assessment Area 2 Bond Redemption Account. If such redemption shall be in part, the District shall select such principal amount of Assessment Area 2 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 2 Bonds is substantially level.

## Assessment Area 3 Bonds

The Assessment Area 3 Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole or in part, on any date (other than in the case of clause (i) below, which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Assessment Area 3 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Assessment Area 3 Prepayment Principal deposited into the Assessment Area 3 Prepayment Subaccount of the Assessment Area 3 Bond Redemption Account following the payment in whole or in part of Assessment Area 3 Special Assessments on any assessable

property within the District in accordance with the provisions of the Assessment Area 3 Indenture, together with any excess moneys transferred by the Trustee from the Assessment Area 3 Reserve Account to the Assessment Area 3 Prepayment Subaccount as a result of such Assessment Area 3 Prepayment and pursuant to the Assessment Area 3 Indenture. If such redemption shall be in part, the District shall select such principal amount of Assessment Area 3 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 3 Bonds is substantially level;

- (ii) from moneys, if any, on deposit in the Assessment Area 3 Funds, Accounts and Subaccounts in the Funds and Accounts (other than the Assessment Area 3 Rebate Fund and the Assessment Area 3 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Assessment Area 3 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture; and
- (iii) upon the Completion Date, from any funds remaining on deposit in the Assessment Area 3 Acquisition and Construction Account not otherwise reserved to complete the Assessment Area 3 Project and transferred to the Assessment Area 3 General Redemption Subaccount of the Assessment Area 3 Bond Redemption Account. If such redemption shall be in part, the District shall select such principal amount of Assessment Area 3 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Assessment Area 3 Bonds is substantially level.

"Quarterly Redemption Date" shall mean each February 1, May 1, August 1, and November 1 of any calendar year.

## **Notice of Redemption**

When required to redeem Series 2020A Bonds under the Indenture or when directed to do so by the District, the Trustee shall cause notice of the redemption, either in whole or in part, to be mailed at least thirty (30) but not more than sixty (60) days prior to the redemption date to all Owners of Series 2020A Bonds to be redeemed (as such Owners appear on the Bond Register on the fifth (5<sup>th</sup>) day prior to such mailing), at their registered addressed, 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 of the Series 2020A Bonds for which notice was duly mailed in accordance with the Indenture. If, at the time of mailing of notice of an optional redemption, the District shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem or purchase all of the Series 2020A Bonds called for redemption, such notice shall expressly state that the redemption is conditional and is subject to the deposit of the redemption moneys with the Trustee or Paying Agent, as the case may be, not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

## **Book-Entry Only System**

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2020A Bonds. The Series 2020A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered

Series 2020A Bond certificate will be issued for each maturity of each Series of the Series 2020A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Series 2020A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2020A 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 2020A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2020A Bonds, except in the event that use of the book-entry system for the Series 2020A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020A 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 2020A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020A Bonds are credited, which may or

may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2020A 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 Series 2020A 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 2020A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on 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 Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series 2020A Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Series 2020A Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2020A Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Series 2020A Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2020A Bonds are transferred by Direct Participants on

DTC's records and followed by a book-entry credit of tendered Series 2020A Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2020A Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2020A 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) pursuant to the procedures of DTC. In that event, Security 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 the District takes no responsibility for the accuracy thereof.

#### SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020A BONDS

#### General

THE ASSESSMENT AREA 2 BONDS AND THE ASSESSMENT AREA 3 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE ASSESSMENT AREA 2 PLEDGED REVENUES AND THE ASSESSMENT AREA 3 PLEDGED REVENUES, RESPECTIVELY, PLEDGED THEREFOR UNDER THE ASSESSMENT AREA 2 INDENTURE AND THE ASSESSMENT AREA 3 INDENTURE, RESPECTIVELY, AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE CITY, THE COUNTY, THE STATE OF FLORIDA (THE "STATE"), OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SUCH SERIES 2020A BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE ASSESSMENT AREA 2 INDENTURE AND THE ASSESSMENT AREA 3 INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, ASSESSMENT AREA 2 SPECIAL ASSESSMENTS AND ASSESSMENT AREA 3 SPECIAL ASSESSMENTS TO SECURE AND PAY THE ASSESSMENT AREA 2 BONDS AND THE ASSESSMENT AREA 3 BONDS, RESPECTIVELY. THE SERIES 2020A BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE CITY, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

The Assessment Area 2 Bonds are payable from and secured solely by the Assessment Area 2 Pledged Revenues. The "Assessment Area 2 Pledged Revenues" shall mean (a) all revenues received by the District from Assessment Area 2 Special Assessments levied and collected on the assessable lands within Assessment Area 2, benefitted by the Assessment Area 2 Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Assessment Area 2 Special Assessments or from the issuance and sale of tax certificates with respect to such Assessment Area 2 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Assessment Area 2

Indenture created and established with respect to or for the benefit of the Assessment Area 2 Bonds; provided, however, that Assessment Area 2 Pledged Revenues shall not include (A) any moneys transferred to the Assessment Area 2 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Assessment Area 2 Costs of Issuance Account of the Acquisition and Construction Fund, and (C) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance 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 Assessment Area 2 Indenture shall not apply to any of the moneys described in the foregoing clauses (A), (B) and (C) of this proviso). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020A BONDS" herein.

The Assessment Area 3 Bonds are payable from and secured solely by the Assessment Area 3 Pledged Revenues. The "Assessment Area 3 Pledged Revenues" shall mean (a) all revenues received by the District from Assessment Area 3 Special Assessments levied and collected on the assessable lands within Assessment Area 3, benefitted by the Assessment Area 3 Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Assessment Area 3 Special Assessments or from the issuance and sale of tax certificates with respect to such Assessment Area 3 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Assessment Area 3 Indenture created and established with respect to or for the benefit of the Assessment Area 3 Bonds; provided, however, that Assessment Area 3 Pledged Revenues shall not include (A) any moneys transferred to the Assessment Area 3 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Assessment Area 3 Costs of Issuance Account of the Acquisition and Construction Fund, and (C) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance 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 Assessment Area 3 Indenture shall not apply to any of the moneys described in the foregoing clauses (A), (B) and (C) of this proviso). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020A BONDS" herein.

The "Assessment Area 2 Special Assessments" and the "Assessment Area 3 Special Assessments" consist of, respectively, the non-ad valorem special assessments imposed and levied by the District against the assessable lands within the Assessment Area 2 specially benefited by the Assessment Area 2 Project, or any portions thereof, and against the assessable lands within Assessment Area 3 specially benefited by the Assessment Area 3 Project, or any portions thereof, each pursuant to Section 190.022 of the Act, and the Assessment Resolutions (as defined in the Indenture) and assessment proceedings conducted by the District (together with the Assessment Resolutions, the "Assessment Proceedings"). The Assessment Area 2 Special Assessments and the Assessment Area 3 Special Assessments are collectively referred to herein as the Series 2020A Special Assessments.

Non-ad valorem assessments such as the Series 2020A Special Assessments are not based on millage and are not taxes, but are a lien against the homestead as permitted in Section 4, Article X of the Florida State Constitution. The Series 2020A Special Assessments will constitute a lien against the respective lands as to which the Series 2020A Special Assessments are imposed. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

The Assessment Area 2 Special Assessments are levied in an amount corresponding to the debt service on the Assessment Area 2 Bonds on the basis of benefit received by the lands within Assessment Area 2 as a result of the Assessment Area 2 Project. The Assessment Area 3 Special Assessments are levied in an amount corresponding to the debt service on the Assessment Area 3 Bonds on the basis of benefit received by the lands within Assessment Area 3 as a result of the Assessment Area 3 Project. The Assessment Methodology (as hereinafter defined), which describes the methodology for allocating the Series 2020A Special Assessments to the assessable lands within Assessment Area 2 and Assessment Area 3, is included as APPENDIX E attached hereto.

In the Master Indenture, the District has covenanted that, if any Series 2020A 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 Series 2020A 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 Series 2020A Special Assessment when it might have done so, the District shall either (i) take all necessary steps to cause a new Series 2020A Special Assessment to be made for the whole or any part of such improvement or against any property benefited by such improvement or (ii) in its sole discretion, make up the amount of such Series 2020A Special Assessment from any legally available moneys, which shall be deposited into the Revenue Account for the related Series of Series 2020A Bonds. In case such second Series 2020A Special Assessment shall be annulled, the District shall obtain and make other Series 2020A Special Assessments until a valid Series 2020A Special Assessment shall be made.

## **Prepayment of Series 2020A Special Assessments**

[The Assessment Proceedings provide that an owner of property subject to the Series 2020A Special Assessments may prepay all or a portion of the remaining balance of such Series 2020A Special Assessments at any time, if there is also paid, in addition to the prepaid principal balance of the Series 2020A Special Assessment, an amount equal to the interest that would otherwise be due on such prepaid amount on the next succeeding interest payment date for the related Series of Series 2020A Bonds or, if prepaid during the forty-five (45) day period preceding such interest payment date, to the interest payment date following such next succeeding interest payment date.]

Pursuant to the Act and the Assessment Proceedings, an owner of property subject to the levy of Series 2020A Special Assessments may pay the entire balance of the Series 2020A Special Assessments remaining due, without interest, within thirty (30) days after the related Project has been completed or acquired by the District, and the Board has adopted a resolution accepting such pursuant to Chapter 170.09, Florida Statutes. The Landowners, as the sole owners of the assessable property within Assessment Area 2 and Assessment Area 3, will covenant to waive this right on behalf of themselves and their respective successors and assigns in connection with the issuance of the Series 2020A Bonds.

Each Series of the Series 2020A Bonds are subject to extraordinary redemption as indicated under "DESCRIPTION OF THE SERIES 2020A BONDS – Redemption Provisions – Extraordinary Mandatory Redemption" from optional and required prepayments of the related Series 2020A Special Assessments by property owners.

#### **Additional Bonds**

#### **Assessment Area 2 Bonds**

Under the Assessment Area 2 Indenture, the District will covenant not to issue any other Bonds or other debt obligations secured by the Assessment Area 2 Special Assessments. In addition, the District will covenant not to issue any other Bonds or debt obligations for capital projects, secured by Special Assessments on the assessable lands within Assessment Area 2 that are subject to the Assessment Area 2 Special Assessments, until the Assessment Area 2 Special Assessments are Substantially Absorbed. "Substantially Absorbed" means the date at least [90%] of the principal portion of the Assessment Area 2 Special Assessments have been assigned to residential units within the District that have received certificates of occupancy. The District shall present the Trustee with a certification that the Assessment Area 2 Special Assessments are Substantially Absorbed, and the Trustee may rely conclusively upon such certification and shall have no duty to verify if the Assessment Area 2 Special Assessments are Substantially Absorbed. Such covenant shall not prohibit the District from issuing refunding Bonds or any Bonds or other obligations for District Lands outside of Assessment Area 2, or to finance any other\_capital project that is necessary to remediate any natural disaster, catastrophic damage or failure with respect to the Assessment Area 2 Project.

#### **Assessment Area 3 Bonds**

Under the Assessment Area 3 Indenture, the District will covenant not to issue any other Bonds or other debt obligations secured by the Assessment Area 3 Special Assessments. In addition, the District will covenant not to issue any other Bonds or debt obligations for capital projects, secured by Special Assessments on the assessable lands within Assessment Area 3 that are subject to the Assessment Area 3 Special Assessments, until the Assessment Area 3 Special Assessments are Substantially Absorbed. "Substantially Absorbed" means the date at least [90%] of the principal portion of the Assessment Area 3 Special Assessments have been assigned to residential units within the District that have received certificates of occupancy. The District shall present the Trustee with a certification that the Assessment Area 3 Special Assessments are Substantially Absorbed, and the Trustee may rely conclusively upon such certification and shall have no duty to verify if the Assessment Area 3 Special Assessments are Substantially Absorbed. Such covenant shall not prohibit the District from issuing refunding Bonds or any Bonds or other obligations for District Lands outside of Assessment Area 3, or to finance any other\_capital project that is necessary to remediate any natural disaster, catastrophic damage or failure with respect to the Assessment Area 3 Project.

#### **Other Taxes and Assessments**

The District and/or other public entities may impose taxes or other special assessments on the same properties encumbered by the Series 2020A Special Assessments without the consent of the Owners of the Series 2020A Bonds. The District expects to impose certain non-ad valorem special assessments called maintenance assessments, which are of equal dignity with the Series 2020A Special Assessments, on the same lands upon which the Series 2020A Special Assessments are imposed to fund the maintenance and operation of the District. See "THE

DEVELOPMENT – Taxes, Fees and Assessments" and "BONDOWNERS' RISKS" herein for more information.

## **Covenant Against Sale or Encumbrance**

In the Master Indenture, the District has covenanted that (a) except for those improvements comprising the Projects (as defined in the Master Indenture) that are to be conveyed by the District to the City, the County, the State Department of Transportation or another governmental entity, as to which no assessments of the District will be imposed and (b) except as otherwise permitted in the Master Indenture, it will not sell, lease or otherwise dispose of or encumber any Projects or any part thereof. See "APPENDIX B: COPY OF MASTER INDENTURE AND PROPOSED FORMS OF SUPPLEMENTAL INDENTURES" herein.

## **Acquisition and Construction Accounts**

## **Assessment Area 2 Acquisition and Construction Account**

The Assessment Area 2 Indenture establishes a separate account within the Acquisition and Construction Fund designated as the "Assessment Area 2 Acquisition and Construction Account." Proceeds of the Assessment Area 2 Bonds shall be deposited into the Assessment Area 2 Acquisition and Construction Account and, together with any moneys transferred thereto, including moneys transferred from the Assessment Area 2 Reserve Account after satisfaction of the Conditions for Reduction of Reserve Requirement (as defined herein), such moneys shall be applied as set forth in the Assessment Area 2 Indenture and the Acquisition Agreement. Funds on deposit in the Assessment Area 2 Acquisition and Construction Account shall only be requisitioned by the District to be applied to the Costs of the Assessment Area 2 Project. Except as provided in the Assessment Area 2 Indenture with respect to an Event of Default, only upon presentment to the Trustee of a properly signed requisition in substantially the form attached to the Assessment Area 2 Indenture shall the Trustee withdraw moneys from the Assessment Area 2 Acquisition and Construction Account. Upon satisfaction of the Conditions for Reduction of Reserve Requirement, the amount on deposit in the Assessment Area 2 Reserve Account in excess of the Assessment Area 2 Reserve Requirement shall be transferred to the Assessment Area 2 Acquisition and Construction Account and applied as provided in the Assessment Area 2 Indenture.

Anything in the Assessment Area 2 Indenture to the contrary notwithstanding, the District will acknowledge that, upon the occurrence of an Event of Default with respect to the Assessment Area 2 Bonds, (i) the Assessment Area 2 Pledged Revenues include, without limitation, all amounts on deposit in the Assessment Area 2 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) the Assessment Area 2 Pledged Revenues may not be used by the District (whether to pay costs of the Assessment Area 2 Project or otherwise) without the consent of the Majority Holder of the Assessment Area 2 Bonds and (iii) the Assessment Area 2 Pledged Revenues may be used by the Trustee, at the direction or with the approval of the Majority Holder of the Assessment Area 2 Bonds, to pay costs and expenses incurred in connection with the pursuit of remedies under the Assessment Area 2 Indenture; provided, however notwithstanding anything in the Assessment

Area 2 Indenture to the contrary, the Trustee is also authorized to utilize the Assessment Area 2 Pledged Revenues to pay fees and expenses as provided in the Master Indenture.

After the Completion Date for the Assessment Area 2 Project, any moneys remaining in the Assessment Area 2 Acquisition and Construction Account, after retaining costs to complete the Assessment Area 2 Project, shall be transferred to the Assessment Area 2 General Redemption Subaccount, as directed in writing by the District, or by the District Manager on behalf of the District, to the Trustee. After no funds remain therein, the Assessment Area 2 Acquisition and Construction Account shall be closed. Notwithstanding the foregoing, the Assessment Area 2 Acquisition and Construction Account shall not be closed until after the Conditions for Reduction of Reserve Requirement shall have occurred with respect to the Assessment Area 2 Bonds and the excess funds from the Assessment Area 2 Reserve Account shall have been transferred to the Assessment Area 2 Acquisition and Construction Account and applied in accordance with the Assessment Area 2 Indenture.

## **Assessment Area 3 Acquisition and Construction Account**

The Assessment Area 3 Indenture establishes a separate account within the Acquisition and Construction Fund designated as the "Assessment Area 3 Acquisition and Construction Account." Proceeds of the Assessment Area 3 Bonds shall be deposited into the Assessment Area 3 Acquisition and Construction Account and, together with any moneys transferred thereto, including moneys transferred from the Assessment Area 3 Reserve Account after satisfaction of the Conditions for Reduction of Reserve Requirement (as defined herein), such moneys shall be applied as set forth in the Assessment Area 3 Indenture and the Acquisition Agreement. Funds on deposit in the Assessment Area 3 Acquisition and Construction Account shall only be requisitioned by the District to be applied to the Costs of the Assessment Area 3 Project. Except as provided in the Assessment Area 3 Indenture with respect to an Event of Default, only upon presentment to the Trustee of a properly signed requisition in substantially the form attached to the Assessment Area 3 Indenture shall the Trustee withdraw moneys from the Assessment Area 3 Acquisition and Construction Account. Upon satisfaction of the Conditions for Reduction of Reserve Requirement, the amount on deposit in the Assessment Area 3 Reserve Account in excess of the Assessment Area 3 Reserve Requirement shall be transferred to the Assessment Area 3 Acquisition and Construction Account and applied as provided in the Assessment Area 3 Indenture.

Anything in the Assessment Area 3 Indenture to the contrary notwithstanding, the District will acknowledge that, upon the occurrence of an Event of Default with respect to the Assessment Area 3 Bonds, (i) the Assessment Area 3 Pledged Revenues include, without limitation, all amounts on deposit in the Assessment Area 3 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) the Assessment Area 3 Pledged Revenues may not be used by the District (whether to pay costs of the Assessment Area 3 Project or otherwise) without the consent of the Majority Holder of the Assessment Area 3 Bonds and (iii) the Assessment Area 3 Pledged Revenues may be used by the Trustee, at the direction or with the approval of the Majority Holder of the Assessment Area 3 Bonds, to pay costs and expenses incurred in connection with the pursuit of remedies under the Assessment Area 3 Indenture; provided, however notwithstanding anything in the Assessment

Area 3 Indenture to the contrary, the Trustee is also authorized to utilize the Assessment Area 3 Pledged Revenues to pay fees and expenses as provided in the Master Indenture.

After the Completion Date for the Assessment Area 3 Project, any moneys remaining in the Assessment Area 3 Acquisition and Construction Account, after retaining costs to complete the Assessment Area 3 Project, shall be transferred to the Assessment Area 3 General Redemption Subaccount, as directed in writing by the District, or by the District Manager on behalf of the District, to the Trustee. After no funds remain therein, the Assessment Area 3 Acquisition and Construction Account shall be closed. Notwithstanding the foregoing, the Assessment Area 3 Acquisition and Construction Account shall not be closed until after the Conditions for Reduction of Reserve Requirement shall have occurred with respect to the Assessment Area 3 Bonds and the excess funds from the Assessment Area 3 Reserve Account shall have been transferred to the Assessment Area 3 Acquisition and Construction Account and applied in accordance with the Assessment Area 3 Indenture.

#### **Reserve Accounts**

#### **Assessment Area 2 Reserve Account**

The Assessment Area 2 Indenture establishes an "Assessment Area 2 Reserve Account" within the Debt Service Reserve Fund solely for the benefit of the Assessment Area 2 Bonds. Proceeds of the Assessment Area 2 Bonds in the amount of the Assessment Area 2 Reserve Requirement will be deposited into the Assessment Area 2 Reserve Account.

"Assessment Area 2 Reserve Requirement" shall (i) initially be an amount equal to the maximum annual debt service on the Assessment Area 2 Bonds as calculated from time to time; and (ii) upon the occurrence of the Conditions for Reduction of Reserve Requirement with respect to the Assessment Area 2 Bonds, fifty percent (50%) of the maximum annual debt service on the Assessment Area 2 Bonds as calculated from time to time. Upon satisfaction of the Conditions for Reduction of Reserve Requirement, such excess amount shall be released from the Assessment Area 2 Reserve Account and transferred to the Assessment Area 2 Acquisition and Construction Account in accordance with the provisions of the Assessment Area 2 Indenture. For the purpose of calculating the Assessment Area 2 Reserve Requirement, maximum annual debt service shall be calculated as of the date of the original issuance and delivery and recalculated in connection with each extraordinary mandatory redemption of the Assessment Area 2 Bonds following a prepayment of Assessment Area 2 Special Assessments as described in the Assessment Area 2 Indenture (but not upon the optional or mandatory sinking fund redemption thereof), and such excess amount shall be released from the Assessment Area 2 Reserve Account and, other than as provided in the immediately preceding sentence, transferred to the Assessment Area 2 Prepayment Subaccount in accordance with the provisions of the Assessment Area 2 Indenture. Amounts on deposit in the Assessment Area 2 Reserve Account may, upon final maturity or redemption of all Outstanding Assessment Area 2 Bonds, be used to pay principal of and interest on the Assessment Area 2 Bonds at that time. Initially, the Assessment Area 2 Reserve Requirement shall be equal to \$[ ].

"Conditions for Reduction of Reserve Requirement," with respect to the Assessment Area 2 Bonds, shall mean collectively (i) the sale of all lots in Assessment Area 2 to homebuilders

unrelated to the Assessment Area 2 Landowner or an affiliated entity shall have been closed, as certified by the District Manager, and (ii) there shall be no Events of Default under the Assessment Area 2 Indenture with respect to the Assessment Area 2 Bonds, as certified by the District Manager. The District shall present the Trustee with the certifications of the District Manager regarding the satisfaction of the Conditions for Reduction of Reserve Requirement, and the Trustee may rely conclusively upon such certifications and shall have no duty to verify the same.

#### **Assessment Area 3 Reserve Account**

The Assessment Area 3 Indenture establishes an "Assessment Area 3 Reserve Account" within the Debt Service Reserve Fund solely for the benefit of the Assessment Area 3 Bonds. Proceeds of the Assessment Area 3 Bonds in the amount of the Assessment Area 3 Reserve Requirement will be deposited into the Assessment Area 3 Reserve Account.

"Assessment Area 3 Reserve Requirement" shall (i) initially be an amount equal to the maximum annual debt service on the Assessment Area 3 Bonds as calculated from time to time; and (ii) upon the occurrence of the Conditions for Reduction of Reserve Requirement with respect to the Assessment Area 3 Bonds, fifty percent (50%) of the maximum annual debt service on the Assessment Area 3 Bonds as calculated from time to time. Upon satisfaction of the Conditions for Reduction of Reserve Requirement, such excess amount shall be released from the Assessment Area 3 Reserve Account and transferred to the Assessment Area 3 Acquisition and Construction Account in accordance with the provisions of the Assessment Area 3 Indenture. For the purpose of calculating the Assessment Area 3 Reserve Requirement, maximum annual debt service shall be calculated as of the date of the original issuance and delivery and recalculated in connection with each extraordinary mandatory redemption of the Assessment Area 3 Bonds following a prepayment of Assessment Area 3 Special Assessments as described in the Assessment Area 3 Indenture (but not upon the optional or mandatory sinking fund redemption thereof), and such excess amount shall be released from the Assessment Area 3 Reserve Account and, other than as provided in the immediately preceding sentence, transferred to the Assessment Area 3 Prepayment Subaccount in accordance with the provisions of the Assessment Area 3 Indenture. Amounts on deposit in the Assessment Area 3 Reserve Account may, upon final maturity or redemption of all Outstanding Assessment Area 3 Bonds, be used to pay principal of and interest on the Assessment Area 3 Bonds at that time. Initially, the Assessment Area 3 Reserve Requirement shall be equal to \$[ ].

"Conditions for Reduction of Reserve Requirement," with respect to the Assessment Area 3 Bonds, shall mean collectively (i) the sale of all lots in Assessment Area 3 to homebuilders unrelated to the Assessment Area 3 Landowner or an affiliated entity shall have been closed, as certified by the District Manager, and (ii) there shall be no Events of Default under the Assessment Area 3 Indenture with respect to the Assessment Area 3 Bonds, as certified by the District Manager. The District shall present the Trustee with the certifications of the District Manager regarding the satisfaction of the Conditions for Reduction of Reserve Requirement, and the Trustee may rely conclusively upon such certifications and shall have no duty to verify the same.

#### General

Notwithstanding any provisions in the Master Indenture to the contrary, the District will covenant in the Indenture not to substitute the cash and Investment Obligations on deposit in the Reserve Accounts with a Debt Service Reserve Insurance Policy or a Debt Service Reserve Letter of Credit. Except as provided in the next paragraph, all investment earnings on moneys in a Reserve Account shall remain on deposit therein.

On each March 15 and September 15 (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the each Reserve Account and transfer any excess therein above the applicable Reserve Requirement for such Series of Series 2020A Bonds caused by investment earnings to the related Series Revenue Account in accordance with the applicable Indenture.

In the event of a prepayment of related Series 2020A Special Assessments in accordance with the applicable Indenture, then forty-five (45) days before the next Quarterly Redemption Date, the Trustee shall recalculate the related Reserve Requirement, taking into account the amount of the related Series of Series 2020A Bonds that will be outstanding as a result of such prepayment of Series 2020A Special Assessments, and cause the amount on deposit in such Reserve Account in excess of the applicable Reserve Requirement, resulting from related Prepayment Principal, to be transferred to the related Prepayment Subaccount to be applied toward the extraordinary redemption of the related Series of Series 2020A Bonds in accordance with the applicable Indenture, as a credit against the Prepayment Principal otherwise required to be made by the owner of such property subject to such Series 2020A Special Assessments.

Notwithstanding any of the foregoing, amounts on deposit in a Reserve Account shall be transferred by the Trustee, in the amounts directed in writing by the Majority Holders of the related Series of Series 2020A Bonds, to the related General Redemption Subaccount if, as a result of the application of the provisions of the Master Indenture with respect to Events of Default, the proceeds received from lands sold subject to the related Series 2020A Special Assessments and applied to redeem a portion of the related Series 2020A Bonds is less than the principal amount of the related Series 2020A Bonds indebtedness attributable to such lands.

It shall be an Event of Default with respect to a Series of Series 2020A Bonds under the applicable Indenture if at any time the amount in the related Reserve Account is less than the Reserve Requirement therefor as a result of the Trustee withdrawing an amount therefrom to satisfy the Debt Service Requirement for such Series of Series 2020A Bonds and such amount has not been restored within ninety (90) days of such withdrawal.

## **Deposit and Application of the Pledged Revenues**

#### **Assessment Area 2 Bonds**

The Assessment Area 2 Indenture establishes an "Assessment Area 2 Revenue Account" within the Revenue Fund. Assessment Area 2 Special Assessments (except for Prepayments of Assessment Area 2 Special Assessments, which shall be identified as such by the District to the Trustee and deposited in the Assessment Area 2 Prepayment Subaccount) shall be deposited by the Trustee into the Assessment Area 2 Revenue Account. Pursuant to the Assessment Area 2

Indenture, the Trustee shall transfer from amounts on deposit in the Assessment Area 2 Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, upon receipt but no later than the Business Day next preceding each Interest Payment Date, commencing [\_\_ 1, 20\_\_], to the Assessment Area 2 Interest Account of the Debt Service Fund, an amount equal to the interest on the Assessment Area 2 Bonds becoming due on the next succeeding Interest Payment Date, less any amount on deposit in the Assessment Area 2 Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each November 1, commencing [November 1, 20\_\_], to the Assessment Area 2 Sinking Fund Account, an amount equal to the principal amount of Assessment Area 2 Bonds subject to sinking fund redemption on such November 1, less any amount on deposit in the Assessment Area 2 Sinking Fund Account not previously credited;

THIRD, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Assessment Area 2 Bonds remain Outstanding, to the Assessment Area 2 Reserve Account, an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Reserve Requirement for the Assessment Area 2 Bonds;

FOURTH, notwithstanding the foregoing, at any time the Assessment Area 2 Bonds are subject to redemption on a date which is not a May 1 or November 1 Interest Payment Date, the Trustee shall be authorized to transfer to the Assessment Area 2 Interest Account, the amount necessary to pay interest on the Assessment Area 2 Bonds subject to redemption on such date; and

FIFTH, subject to the foregoing paragraphs, the balance of any moneys remaining after making the foregoing deposits shall be first deposited into the Assessment Area 2 Costs of Issuance Account upon the written request of the District to cover any deficiencies in the amount allocated to pay the cost of issuing the Assessment Area 2 Bonds and next, any balance in the Assessment Area 2 Revenue Account shall remain on deposit in such Assessment Area 2 Revenue Account, unless needed for the purposes of rounding the principal amount of an Assessment Area 2 Bond subject to extraordinary mandatory redemption pursuant to the Assessment Area 2 Indenture to an Authorized Denomination, or unless pursuant to the Arbitrage Certificate, it is necessary to make a deposit into the Assessment Area 2 Rebate Fund, in which case, the District shall direct the Trustee to make such deposit thereto.

#### **Assessment Area 3 Bonds**

The Assessment Area 3 Indenture establishes an "Assessment Area 3 Revenue Account" within the Revenue Fund. Assessment Area 3 Special Assessments (except for Prepayments of Assessment Area 3 Special Assessments, which shall be identified as such by the District to the Trustee and deposited in the Assessment Area 3 Prepayment Subaccount) shall be deposited by the Trustee into the Assessment Area 3 Revenue Account. Pursuant to the Assessment Area 3

Indenture, the Trustee shall transfer from amounts on deposit in the Assessment Area 3 Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, upon receipt but no later than the Business Day next preceding each Interest Payment Date, commencing [\_\_ 1, 20\_\_], to the Assessment Area 3 Interest Account of the Debt Service Fund, an amount equal to the interest on the Assessment Area 3 Bonds becoming due on the next succeeding Interest Payment Date, less any amount on deposit in the Assessment Area 3 Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each November 1, commencing [November 1, 20\_], to the Assessment Area 3 Sinking Fund Account, an amount equal to the principal amount of Assessment Area 3 Bonds subject to sinking fund redemption on such November 1, less any amount on deposit in the Assessment Area 3 Sinking Fund Account not previously credited;

THIRD, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Assessment Area 3 Bonds remain Outstanding, to the Assessment Area 3 Reserve Account, an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Reserve Requirement for the Assessment Area 3 Bonds;

FOURTH, notwithstanding the foregoing, at any time the Assessment Area 3 Bonds are subject to redemption on a date which is not a May 1 or November 1 Interest Payment Date, the Trustee shall be authorized to transfer to the Assessment Area 3 Interest Account, the amount necessary to pay interest on the Assessment Area 3 Bonds subject to redemption on such date; and

FIFTH, subject to the foregoing paragraphs, the balance of any moneys remaining after making the foregoing deposits shall be first deposited into the Assessment Area 3 Costs of Issuance Account upon the written request of the District to cover any deficiencies in the amount allocated to pay the cost of issuing the Assessment Area 3 Bonds and next, any balance in the Assessment Area 3 Revenue Account shall remain on deposit in such Assessment Area 3 Revenue Account, unless needed for the purposes of rounding the principal amount of an Assessment Area 3 Bond subject to extraordinary mandatory redemption pursuant to the Assessment Area 3 Indenture to an Authorized Denomination, or unless pursuant to the Arbitrage Certificate, it is necessary to make a deposit into the Assessment Area 3 Rebate Fund, in which case, the District shall direct the Trustee to make such deposit thereto.

### **Investments**

The Trustee shall, as directed by the District in writing, invest moneys held in the Series Accounts in the Debt Service Fund and any Series Account within the Bond Redemption Fund only in Government Obligations and certain specified types of Investment Securities (as defined in the Master Indenture). The Trustee shall, as directed by the District in writing, invest moneys held in the Reserve Accounts of the 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 in the Master Indenture. All securities securing investments under the Indenture 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 the Indenture, any interest and other income so received shall be deposited in the applicable Series Account of the Revenue Fund. Upon request of the District, 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 respective 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 in the Master Indenture. 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. The Trustee shall not be liable or responsible for any loss or entitled to any gain resulting from any investment or sale upon the investment instructions of the District or otherwise. See "APPENDIX B: COPY OF MASTER INDENTURE AND PROPOSED FORMS OF SUPPLEMENTAL INDENTURES" attached hereto.

## Master Indenture Provisions Relating to Bankruptcy or Insolvency of a Landowner

For purposes the following, (a) a Series of Series 2020A Bonds secured by and payable from Special Assessments levied against property owned by any Insolvent Taxpayer (defined below) are collectively referred to herein as the "Affected Bonds" and (b) the Special Assessments levied against any Insolvent Taxpayer's property and pledged under a Supplemental Indenture as security for the Affected Bonds are collectively referred to herein as the "Affected Special Assessments." The Master Indenture contains the following provisions which, pursuant to the Indenture, shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to the Affected Special Assessments (herein, 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"). For as long as any Affected Bonds remain Outstanding, in any Proceeding involving the District, any Insolvent Taxpayer, the Affected Bonds or the Affected Special Assessments, the District shall be obligated to act in accordance with any direction from the Trustee with regard to all matters directly or indirectly affecting at least three percent (3%) of the Outstanding aggregate principal amount of the Affected Bonds or for as long as any Affected Bonds remain Outstanding, in any proceeding involving the District, any Insolvent Taxpayer, the Affected Bonds or the Affected Special Assessments or the Trustee. The District has agreed in the Master Indenture that it shall not be a defense to a breach of the foregoing covenant that it has acted upon advice of counsel in not complying with this covenant.

In the Master Indenture, the District will acknowledge and agree that, although the Affected Bonds were issued by the District, the Owners of the Affected Bonds are categorically the party with the ultimate financial stake in the transaction and, consequently, the party with a vested and pecuniary interest in a Proceeding. In the event of any Proceeding involving any Insolvent Taxpayer: (a) the District has agreed in the Master Indenture that it shall follow the direction of the Trustee in making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Affected Special Assessments, the Affected Bonds or any rights of the Trustee under the Indenture; (b) the District has agreed in the Master Indenture that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Affected Special Assessments, the Affected Bonds or any rights of the Trustee under the Indenture that is inconsistent with any direction from the Trustee; (c) the Trustee shall have the right, but is not obligated to, (i) vote in any such Proceeding any and all claims of the District, or (ii) file any motion, pleading, plan or objection in any such Proceeding on behalf of the District, 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. If the Trustee chooses to exercise any such rights, 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 Bankruptcy Code and (d) 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 Trustee's enforcement of the District claim and rights with respect to the Affected Special Assessments or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the District has agreed in the Master Indenture that the Trustee shall have the right (i) to file a proof of claim with respect to the Affected Special Assessments, (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. See "BONDOWNERS' RISKS - Bankruptcy and Related Risks" herein.

#### **Events of Default and Remedies**

The Master Indenture provides that each of the following shall be an "Event of Default" under the Indenture, with respect to a Series of Series 2020A Bonds:

- (a) if payment of any installment of interest on any Bond of such Series 2020A Bonds 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 2020A Bonds 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 in, or is rendered incapable of, fulfilling its obligations under the Indenture or under the Act, as determined by the Majority Holder of the Bonds of such Series 2020A Bonds; 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 related Indenture or in any Bond of such Series 2020A Bonds and such default continues for sixty (60) days after written notice requiring the same to be remedied shall have been given to the District by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Majority Holder of the Outstanding Bonds of such Series 2020A 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) if at any time the amount in the related Reserve Account is less than the applicable Reserve Requirement as a result of the Trustee withdrawing an amount therefrom to satisfy the Debt Service Requirement on such Series 2020A Bonds and such amount has not been restored within ninety (90) days of such withdrawal; or
- (g) if on an Interest Payment Date the amount in the related Interest Account, the related Principal Account or the related Sinking Fund Account, as the case may be, is insufficient to pay all amounts payable on the Bonds of such Series 2020A Bonds on such Interest Payment Date (without regard to any amount available for such purpose in the related Reserve Account); or
- (h) if, at any time after eighteen months following issuance of such Series of Series 2020A Bonds, more than twenty percent (20%) of the "maintenance special assessments" levied by the District on District Lands upon which the related Series 2020A Special Assessments are levied to secure such Series of Series 2020A Bonds pursuant to Section 190.021(3), Florida

Statutes, as amended, and collected directly by the District have become due and payable and have not been paid, when due.

The Trustee shall not be required to rely on any official action, admission or declaration by the District before recognizing that an Event of Default under (c) above has occurred.

No Series 2020A Bonds shall be subject to acceleration. Upon occurrence and continuance of an Event of Default with respect to a Series of Series 2020A Bonds, no optional redemption or extraordinary mandatory redemption of such Series of Series 2020A Bonds pursuant to the Indenture shall occur unless all of the Bonds of such Series of Series 2020A Bonds will be redeemed or if 100% of the Holders of the Bonds of such Series of Series 2020A Bonds agree to such redemption.

If any Event of Default with respect to a Series of Series 2020A Bonds has occurred and is continuing, the Trustee, in its discretion may, and upon the written request of the Majority Holder of the Outstanding Bonds of such Series of Series 2020A Bonds and receipt of indemnity to its satisfaction shall, in its own name:

- (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders of the Bonds of such Series of Series 2020A Bonds, including, without limitation, the right to require the District to carry out any agreements with, or for the benefit of, the Bondholders of such Series of Series 2020A Bonds and to perform its or their duties under the Act;
  - (b) bring suit upon such Series of Series 2020A Bonds;
- (c) by action or suit in equity require the District to account as if it were the trustee of an express trust for the Holders of the Bonds of such Series 2020A Bonds;
- (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 2020A Bonds; and
- (e) by other proceeding in law or equity, exercise all rights and remedies provided for by any other document or instrument securing the Bonds of such Series of Series 2020A Bonds.

If any proceeding taken by the Trustee on account of any Event of Default with respect to a Series of Series 2020A Bonds is discontinued or is determined adversely to the Trustee, then the District, the Trustee, the Paying Agent and the Bondholders of such Series of Series 2020A Bonds shall be restored to their former positions and rights under the Indenture as though no such proceeding had been taken.

Subject to the provisions of the Indenture, the Majority Holder of the Outstanding Bonds of a Series of Series 2020A Bonds then subject to remedial proceedings under the Master Indenture 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.

#### ENFORCEMENT OF ASSESSMENT COLLECTIONS

#### General

The primary sources of payment for the Assessment Area 2 Bonds and the Assessment Area 3 Bonds are the Assessment Area 2 Special Assessments and the Assessment Area 3 Special Assessments, respectively, imposed on lands in the District specially benefited by the Assessment Area 2 Project and the Assessment Area 3 Project, respectively, pursuant to the Assessment Proceedings. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein and "APPENDIX E: ASSESSMENT METHODOLOGY" attached hereto.

The determination, order, levy, and collection of Series 2020A Special Assessments must be done in compliance with procedural requirements and guidelines provided by State law. Failure by the District, the Polk County Tax Collector (the "Tax Collector") or the Polk 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 2020A Special Assessments during any year. Such delays in the collection of Series 2020A Special Assessments, or complete inability to collect the Series 2020A 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 related Series of Series 2020A Bonds. See "BONDOWNERS' RISKS." To the extent that landowners fail to pay the Series 2020A 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 related Series of Series 2020A Bonds. The Act provides for various methods of collection of delinquent Series 2020A Special Assessments by reference to other provisions of the Florida Statutes. The following is a description of certain statutory provisions of assessment payment and collection procedures appearing in the Florida Statutes but is qualified in its entirety by reference to such statutes.

#### Alternative Uniform Tax Collection Procedure for Series 2020A Special Assessments

Initially, the Landowners and any subsequent landowners will directly pay the Series 2020A Special Assessments to the District. As lands within Assessment Area 2 and Assessment Area 3 are platted, the related Series 2020A Special Assessments will be collected pursuant to the Uniform Method (as hereinafter defined), unless otherwise directed by the Trustee acting at the direction of the Majority Holder of the related Series of Series 2020A Bonds. At such time as Series 2020A Special Assessments are collected pursuant to the Uniform Method, the provisions of this section shall become applicable. The Florida Statutes provide that, subject to certain conditions, non-ad valorem special assessments may be collected by using the uniform method (the "Uniform Method") of collection. The Uniform Method of collection is available only in the event the District complies with statutory and regulatory requirements and enters into agreements with the Tax Collector and Property Appraiser providing for the Series 2020A Special Assessments to be levied and then collected in this manner. The District's election to use a certain collection method with respect to the Series 2020A Special Assessments does not preclude it from electing to use another collection method in the future. See "-Foreclosure" below with respect to collection of delinquent assessments not collected pursuant to the Uniform Method.

If the Uniform Method of collection is utilized, the Series 2020A Special Assessments will be collected together with City, County, special district, and other ad valorem taxes and nonad valorem assessments, all of which will appear on the tax bill (also referred to as a "tax notice") issued to each landowner in the District. The statutes relating to enforcement of ad valorem taxes and non-ad valorem assessments provide that such taxes and assessments become due and payable on November 1 of the year when assessed, or as soon thereafter as the certified tax roll is received by the Tax Collector, and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such taxes and assessments (including the Series 2020A Special Assessments, if any, being collected by the Uniform Method) are to be billed, and landowners in the District are required to pay all such taxes and assessments, without preference in payment of any particular increment of the tax bill, such as the increment owing for the Series 2020A Special Assessments. Upon any receipt of moneys by the Tax Collector from the Series 2020A Special Assessments, such moneys will be delivered to the District, which will remit such Series 2020A Special Assessments to the Trustee for deposit to the Revenue Account within the Revenue Fund for the related Series of Series 2020A Bonds, except that any Prepayments of Series 2020A Special Assessments shall be deposited to the Prepayment Subaccount within the Bond Redemption Account of the Bond Redemption Fund for the related Series of Series 2020A Bonds created under the applicable Indenture and applied in accordance therewith.

All City, County, school and special district, including the District, ad valorem taxes, non-ad valorem special assessments, including the Series 2020A Special Assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on bonds, are payable at one time, except for partial payment schedules as may be provided by Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. In such cases, the tax Collector does not accept such partial payment and the partial payment is returned to the taxpayer. Therefore, in the event the Series 2020A Special Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item, would cause the Series 2020A 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 related Series of Series 2020A Bonds.

Under the Uniform Method, if the Series 2020A 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 ad valorem taxes and non-ad valorem special assessments on the tax bill prior to April 1 and, after that date, to institute statutory procedures upon delinquency to collect such taxes and assessments through the sale of "tax certificates," as discussed below. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process.

Neither the District nor the Underwriter can give any assurance to the holders of the Series 2020A 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 2020A Special Assessments, (2) that future landowners and taxpayers in the District will pay such Series 2020A 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 2020A Special Assessments and all other liens that are coequal therewith.

Collection of delinquent Series 2020A 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 2020A Special Assessments due. In the event of a delinquency in the payment of taxes and assessments on real property, the landowner may, prior to the sale of tax certificates, pay the total amount of delinquent ad valorem taxes and non-ad valorem assessments plus the cost of advertising and the applicable interest charge on the amount of such delinquent taxes and assessments. If the landowner does not act, the Tax Collector is required to attempt to sell tax certificates on such property to the person who pays the delinquent taxes and assessments owing, penalties and interest thereon and certain costs, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than 18%). Tax certificates are sold by public bid. If there are no bidders, the tax certificate is issued to the County. The County is to hold, but not pay for, the tax certificate with respect to the property, bearing interest at the maximum legal rate of interest (currently 18%). The Tax Collector does not collect any money if tax certificates are "struck off" (issued) to the County. The County may sell such certificates to the public at any time at the principal amount thereof plus interest at the rate of not more than 18% per annum and a fee. Proceeds from the sale of tax certificates are required to be used to pay taxes and assessments (including the Series 2020A Special Assessments), interest, costs and charges on the real property described in the certificate. The demand for such certificates is dependent upon various factors, which include the rate of interest that can be earned by ownership of such certificates and the underlying value of the land that is the subject of such certificates and which may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the property within the District may affect the demand for certificates and the successful collection of the Series 2020A Special Assessments, which are the primary source of payment of the Series 2020A Bonds. Legal proceedings under Federal bankruptcy law brought by or against a landowner who has not yet paid his or her property taxes or assessments would likely result in a delay in the sale of tax certificates.

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

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

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

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

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

#### Foreclosure

The following discussion regarding foreclosure is not applicable if the Series 2020A Special Assessments are being collected pursuant to the Uniform Method. In the event that the District itself directly levies and enforces, pursuant to Chapters 170 and 190, Florida Statutes, the collection of the Series 2020A Special Assessments levied on the land within the District, Chapter 170.10, Florida Statutes provides that upon the failure of any property owner to pay all or any part of the principal of a special assessment, including a Series 2020A Special Assessment, or the interest thereon, when due, the governing body of the entity levying the assessment is authorized to commence legal proceedings for the enforcement of the payment thereof, including commencement of an action in chancery, commencement of a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or commencement of an action under Chapter 173, Florida Statutes relating to foreclosure of municipal tax and special assessment liens. Such a proceeding is in rem, meaning that it is brought against the land not against the owner. In light of the one year tolling period required before the District may commence a foreclosure action under Chapter 173, Florida Statutes, it is likely the District would commence an action to foreclose in the same manner as the foreclosure of a real estate mortgage rather than proceeding under Chapter 173, Florida Statutes.

Enforcement of the obligation to pay Series 2020A Special Assessments and the ability to foreclose the lien of such Series 2020A Special Assessments upon the failure to pay such Series 2020A Special Assessments may not be readily available or may be limited as such enforcement is dependent upon judicial action which is often subject to discretion and delay.

#### **BONDOWNERS' RISKS**

There are certain risks inherent in an investment in bonds issued by a public authority or governmental body in the State and secured by special assessments. Certain of these risks are described in other sections of this Limited Offering Memorandum. Certain additional risks are associated with the Series 2020A Bonds offered hereby and are set forth below. Prospective investors in the Series 2020A 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 2020A 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 2020A 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 2020A Bonds.

## **Concentration of Land Ownership**

As of the date of delivery of the Series 2020A Bonds, the Assessment Area 2 Landowner and the Assessment Area 3 Landowner own all of the assessable lands within Assessment Area 2 and Assessment Area 3, respectively, which are the lands that will be subject to the Assessment Area 2 Special Assessments and Assessment Area 3 Special Assessments, respectively, securing the Assessment Area 2 Bonds and the Assessment Area 3 Bonds, respectively. Payment of the Series 2020A Special Assessments is primarily dependent upon their timely payment by the

Landowners and the other future landowners in Assessment Area 2 and Assessment Area 3. Non-payment of the Series 2020A Special Assessments by any of the landowners could have a substantial adverse impact upon the District's ability to pay debt service on the related Series of Series 2020A Bonds. See "THE LANDOWNERS" and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020A BONDS" herein.

## **Bankruptcy and Related Risks**

In the event of the institution of bankruptcy or similar proceedings with respect to either of the Landowners or any other owner of benefited property, delays could occur in the payment of debt service on the Series 2020A Bonds, as such bankruptcy could negatively impact the ability of: (i) such Landowner and any other landowner to pay the Series 2020A Special Assessments; (ii) the Tax Collector to sell tax certificates in relation to such property with respect to Series 2020A Special Assessments being collected pursuant to the Uniform Method; and (iii) the District to foreclose the lien of Series 2020A Special Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of the Series 2020A Bonds under each 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 2020A Bonds, including, without limitation, enforcement of the obligation to pay Series 2020A Special Assessments and the ability of the District to foreclose the lien of the Series 2020A 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 2020A 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 2020A Bonds could have a material adverse impact on the interest of the Owners thereof.

A 2011 bankruptcy court decision in Florida held that the governing body of a community development district, and not the bondholders or indenture trustee, was the creditor of the landowners/debtors in bankruptcy with respect to claims for special assessments, and thus only the district could vote to approve or disapprove a reorganization plan submitted by the debtors in the case. The district voted in favor of the plan. The governing body of the district was at that time elected by the landowners rather than qualified electors. Under the reorganization plan that was approved, a two-year moratorium was placed on the debtor landowners' payment of special assessments. As a result of this non-payment of assessments, debt service payments on the district's bonds were delayed for two years or longer. The Master Indenture provides for the delegation of certain rights from the District to the Trustee in the event of a bankruptcy or similar proceeding with respect to an "Insolvent Taxpayer" (as previously defined). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020A BONDS – Master Indenture Provisions Relating to Bankruptcy or Insolvency of a Landowner." The District cannot express any view whether such delegation would be enforceable.

# **Series 2020A Special Assessments Are Non-Recourse**

The principal security for the payment of the principal and interest on each Series of the Series 2020A Bonds is the timely collection of the related Series 2020A Special Assessments. The Series 2020A Special Assessments do not constitute a personal indebtedness of the landowners of the land subject thereto, but are secured by a lien on such land. There is no assurance that the Landowners or subsequent landowners will be able to pay the Series 2020A Special Assessments or that they will pay such Series 2020A Special Assessments even though financially able to do so. Neither the Landowners nor any other subsequent landowners have any personal obligation to pay the Series 2020A Special Assessments. Neither the Landowners nor any subsequent landowners are guarantors of payment of any Series 2020A Special Assessments, and the recourse for the failure of the Landowners or any subsequent landowner to pay the Series 2020A Special Assessments is limited to the collection proceedings against the land subject to such unpaid Series 2020A Special Assessments, as described herein. Therefore the likelihood of collection of the Series 2020A Special Assessments may ultimately depend on the market value of the land subject to the Series 2020A Special Assessments. While the ability of the Landowners or subsequent landowners to pay the Series 2020A Special Assessments is a relevant factor, the willingness of the Landowners or subsequent landowners to pay the Series 2020A Special Assessments, which may also be affected by the value of the land subject to the Series 2020A Special Assessments, is also an important factor in the collection of Series 2020A Special Assessments. The failure of the Landowners or subsequent landowners to pay the Series 2020A Special Assessments could render the District unable to collect delinquent Series 2020A 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 related Series of Series 2020A Bonds.

# **Regulatory and Environmental Risks**

The development of the District Lands 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 of the District Lands. See "THE DEVELOPMENT – Development Approvals" herein for more information.

The value of the land within the District, the success of the Development, the development of Assessment Area 2 and Assessment Area 3 and the likelihood of timely payment of principal and interest on the Series 2020A 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 lands within the District and the likelihood of the timely payment of the Series 2020A 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. See "THE DEVELOPMENT –

Environmental" for information on environmental site assessments obtained or received. Nevertheless, it is possible that hazardous environmental conditions could exist within the District or in the vicinity of the District and that such conditions could have a material and adverse impact upon the value of the benefited lands within the District. No assurance can be given that unknown hazardous materials, protected animals or vegetative species, etc., do not currently exist or may not develop in the future, whether originating within the District or from surrounding property, and what effect such may have on the development or sale of the lands in Assessment Area 2 or Assessment Area 3.

The value of the lands subject to the Series 2020A Special Assessments could also be adversely impacted by flooding or wind damage caused by hurricanes, tropical storms, or other catastrophic events. In addition to potential damage or destruction to any existing development or construction in or near the District, such catastrophic events could potentially render the District Lands, including Assessment Area 2 and Assessment Area 3, unable to support future development. The occurrence of any such events could materially adversely impact the District's ability to pay principal and interest on the Series 2020A Bonds. The Series 2020A Bonds are not insured, and the District's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

# **Economic Conditions and Changes in Development Plans**

The successful development of Assessment Area 2 and Assessment Area 3 and the sale of residential units therein, once such homes are built, may be affected by unforeseen changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Landowners. Moreover, the Landowners have the right to modify or change plans for development of Assessment Area 2 and Assessment Area 3 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.

#### **Other Taxes and Assessments**

The willingness and/or ability of an owner of benefited land to pay the Series 2020A Special Assessments could be affected by the existence of other taxes and assessments imposed upon such property by the District, the City, the County or any other local special purpose or general purpose governmental entities. City, 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 2020A 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 2020A Special Assessments. In addition, lands within the District may also be subject to assessments by property owners' and homeowners' associations. See "THE DEVELOPMENT – Taxes, Fees and Assessments" for additional information.

Under Florida law, a landowner may contest the assessed valuation determined for its property that forms the basis of ad-valorem taxes such landowner must pay. During this contest period, the sale of a tax certificate under the Uniform Method will be suspended. If the Series 2020A Special Assessments are being collected along with ad valorem taxes pursuant to the Uniform Method, tax certificates will not be sold with respect to such Series 2020A Special Assessment, even though the landowner is not contesting the amount of the Series 2020A Special Assessment. However, Section 194.014, Florida Statutes, requires taxpayers challenging the assessed value of their property to pay all non-ad valorem taxes and at least 75% of their ad valorem taxes before they become delinquent. Likewise, taxpayers who challenge the denial of an exemption or classification or a determination that their improvements were substantially complete must pay all non-ad valorem assessments and the amount of ad valorem taxes that they admit in good faith to be owing. If a taxpayer fails to pay property taxes as set forth above, the Value Adjustment Board considering the taxpayer's challenge is required to deny such petition by written decision by April 20 of such year.

# **Limited Secondary Market for Series 2020A Bonds**

The Series 2020A Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2020A Bonds in the event an Owner thereof determines to solicit purchasers for the Series 2020A Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2020A Bonds may be sold. Such price may be lower than that paid by the current Owners of the Series 2020A Bonds, depending on the progress of development of the lands within Assessment Area 2 or Assessment Area 3, as applicable, existing real estate and financial market conditions and other factors.

# **Inadequacy of Reserve Accounts**

Some of the risk factors discussed herein, which, if materialized, would result in a delay in the collection of the Series 2020A Special Assessments, may not adversely affect the timely payment of debt service on a Series of Series 2020A Bonds because of the related Reserve Account. The ability of a Reserve Account to fund deficiencies caused by delinquencies in Series 2020A Special Assessments is dependent on the amount, duration and frequency of such deficiencies. Moneys on deposit in a Reserve Account may be invested in certain obligations permitted under the Indenture. Fluctuations in interest rates and other market factors could affect the amount of moneys in such Reserve Account to make up deficiencies. If the District has difficulty in collecting the Series 2020A Special Assessments, the related Reserve Account could be rapidly depleted and the ability of the District to pay debt service on the related Series of Series 2020A Bonds could be materially adversely affected. In addition, during an Event of Default with respect to a Series of Series 2020A Bonds under the Indenture, the Trustee may withdraw moneys from the related Reserve Account and such other Funds, Accounts and subaccounts created under the Indenture to pay its extraordinary fees and expenses incurred in connection with such Event of Default. If in fact a Reserve Account is accessed for any purpose, the District does not have a designated revenue source for replenishing such account. Moreover, the District may not be permitted to re-assess real property then burdened by Series 2020A Special Assessments in order to provide for the replenishment of such Reserve Account. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020A BONDS – Reserve

Accounts" herein for more information about the Reserve Accounts established with respect to each Series of Series 2020A Bonds.

# **Legal Delays**

If the District should commence a foreclosure action against a landowner for nonpayment of Series 2020A Special Assessments that are not being collected pursuant to the Uniform Method, such landowner and/or its mortgagee(s) may raise affirmative defenses to such foreclosure action. Although the District expects that such affirmative defenses would likely be proven to be without merit, they 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 Holders of the Series 2020A Bonds to allow funds on deposit under the Indenture to be used to pay the costs of the foreclosure action. Under the Code, there are limitations on the amounts of proceeds from the Series 2020A Bonds that can be used for such purpose.

#### **IRS Examination and Audit Risk**

The Internal Revenue Service (the "IRS") routinely examines bonds issued by state and local governments, including bonds issued by community development districts. In 2016, the IRS 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 privateactivity 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 require 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." Notice of withdrawal of the proposed regulations was published in the Federal Register 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 the timeframe established by the applicable state law 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 from the date of establishment of the community development district or the time at which there are at least 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 of the members of the Board of the District were elected by the Landowners and none were elected by qualified electors. The Landowners will certify as to their expectations as to the timing of the transition of control of the Board of the District to qualified electors pursuant to the Act, and their expectations as to compliance with the Act by any members of the Board that they elect. Such certification by the Landowners 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 2020A 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 2020A Bonds are advised that, if the IRS does audit the Series 2020A 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 2020A 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 2020A 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 2020A 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 2020A Bonds would adversely affect the availability of any secondary market for the Series 2020A Bonds. Should interest on the Series 2020A Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2020A Bonds be required to pay income taxes on the interest received on such Series 2020A Bonds and related penalties, but because the interest rate on such Series 2020A Bonds will not be adequate to compensate Owners of the Series 2020A Bonds for the income taxes due on such interest, the value of the Series 2020A Bonds may decline.

THE INDENTURE DOES NOT PROVIDE FOR ANY ADJUSTMENT IN THE INTEREST RATES ON THE SERIES 2020A BONDS IN THE EVENT OF AN ADVERSE DETERMINATION BY THE IRS WITH RESPECT TO THE TAX-EXEMPT STATUS OF INTEREST ON THE SERIES 2020A BONDS. PROSPECTIVE PURCHASERS OF THE SERIES 2020A BONDS SHOULD EVALUATE WHETHER THEY CAN OWN THE SERIES 2020A BONDS IN THE EVENT THAT THE INTEREST ON THE SERIES 2020A 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).

# **Loss of Exemption from Securities Registration**

Since the Series 2020A Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, because of the exemption for political subdivisions, if the District is ever deemed by the IRS, judicially or otherwise, not to be a political subdivision for purposes of the Code, it is possible that federal or state regulatory authorities could also determine that the District is not a political subdivision for purposes of the federal and state securities laws. Accordingly, the District and purchasers of Series 2020A Bonds may not be able to rely on the exemption from registration under the Securities Act relating to securities issued by political subdivisions. In that event, the Owners of the Series 2020A Bonds would need to ensure that subsequent transfers of the Series 2020A Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act and applicable state securities laws.

#### Federal Tax Reform

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 2020A 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 2020A 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 2020A Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series

2020A Bonds. Prospective purchasers of the Series 2020A Bonds should consult their tax advisors as to the impact of any proposed or pending legislation as well as the impact of federal legislation enacted in December 2017. See also "TAX MATTERS."

# **State Tax Reform**

It is impossible to predict what new proposals may be presented regarding 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 2020A Bonds. It should be noted that Section 190.16(14) of the Act provides in pertinent part that "The state pledges to the holders of any bonds issued under the Act that it will not limit or alter the rights of the district to levy and collect the ... assessments... and to fulfill the terms of any agreement made with the holders of such bonds ... and that it will not impair the rights or remedies of such holders."

# Insufficient Resources or Other Factors Causing Failure to Complete the Projects or the Construction of Homes within the Assessment Areas

The cost to finish the Assessment Area 2 Project and the Assessment Area 3 Project (collectively, the "Projects") will exceed the net proceeds from the Assessment Area 2 Bonds and the Assessment Area 3 Bonds, respectively. 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 additional bonds or otherwise, the moneys necessary to complete the Projects. Further, pursuant to the Indenture, the District covenants and agrees that the District shall not to issue any other Bonds or other debt obligations secured by Special Assessments on assessable lands within the Assessment Area 2 and Assessment Area 3 for any capital project until the Assessment Area 2 Special Assessments and the Assessment Area 3 Special Assessments, respectively, are Substantially Absorbed. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020A BONDS – Additional Bonds" for more information.

Although the Assessment Area 2 Landowner and the Assessment Area 3 Landowner will agree to fund or cause to be funded the completion of the Assessment Area 2 Project and the Assessment Area 3 Project, respectively, regardless of the insufficiency of proceeds from the Series 2020A Bonds, and will enter into completion agreements with the District as evidence thereof, there can be no assurance that the respective Landowners will have sufficient resources to do so. Such obligations of the Landowners are unsecured obligations, and each of the

Landowners is a special-purpose entity whose assets consist primarily of its interests in the respective Assessment Areas. See "THE LANDOWNERS" herein for more information.

Further, there is a possibility that, even if Assessment Area 2 and Assessment Area 3 are developed, the Builders may not close on all or any of the lots therein, and such failure to close could negatively impact the construction of homes in such Assessment Areas. The Builder Contracts may also be terminated by the Builders upon the occurrence or failure to occur of certain conditions set forth therein. See "THE DEVELOPMENT – Builder Contracts" herein for more information about the Builders and the Builder Contracts.

# Payment of Series 2020A Special Assessments after Bank Foreclosure

In the event a bank forecloses on property because of a default on a mortgage in favor of such bank on any of the assessable lands within the District, 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 2020A Special Assessments levied on such property. In addition, the District would require the consent of the FDIC prior to commencing a foreclosure action.

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# ESTIMATED SOURCES AND USES OF FUNDS

The table that follows summarizes the estimated sources and uses of proceeds of the Series 2020A Bonds:

	Assessment Area 2 Bonds	Assessment Area 3 Bonds
Sources of Funds:		
Principal Amount	\$	\$
[Less Original Issue Discount]		
Total Sources	<u>\$</u>	\$
Use of Funds:		
Deposit to Acquisition and Construction Account	\$	\$
Deposit to Interest Account <sup>(1)</sup>		
Deposit to Reserve Account		
Costs of Issuance <sup>(2)</sup>		
Total Uses	<u>\$</u>	<u>\$</u>

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<sup>(1)</sup> Includes capitalized interest through \_\_\_\_\_\_\_\_1, 20\_\_\_\_.
(2) Costs of issuance include, without limitation, underwriter's discount, legal fees and other costs associated with the issuance of the Series 2020A Bonds.

# DEBT SERVICE REQUIREMENTS

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

riod Ending Assessment Area 2 Bonds Assessment Area 3 Bonds Total Debovember 1 Interest Principal Interest Service	ovember 1 Principal Interest Principal Interest Service		$\mathcal{E}$				
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#### THE DISTRICT

#### General

The District is an independent local unit of special-purpose government of the State created in accordance with the Act by the Ordinance. The District encompasses approximately 97.67 gross acres of land, located within the incorporated boundaries of Haines City.\* The District is located north of Patterson Road, east and west of Orchid Drive. The District was established under Ordinance No. 18-045, duly enacted by the Board of County Commissioners of Polk County, Florida on July 10, 2018, as amended by Ordinance No. 20-\_\_\_ on January 7, 2020, and approved and consented to by the City Commission of Haines City, Florida. The District Lands are being developed as a residential community known as Orchid Terrace (the "Development"). For more information, see "THE DEVELOPMENT" herein.

#### Governance

The Act provides that a five-member Board of Supervisors (the "Board") serves as the governing body of the District. Members of the Board (the "Supervisors") must be residents of the State and citizens of the United States. Initially, the Supervisors were appointed in the Ordinance. Within ninety (90) days after formation of the District, an election was held pursuant to which new Supervisors were elected on an at-large basis by the owners of the property within the District. Ownership of land within the District entitles the owner to one vote per acre (with fractions thereof rounded upward to the nearest whole number). A Supervisor serves until expiration of his or her term and until his or her successor is chosen and qualified. If, during a term of office, a vacancy occurs, the remaining Supervisors may fill the vacancy by an appointment of an interim Supervisor for the remainder of the unexpired term.

The landowners in the District elect two Supervisors to four-year terms and three Supervisors to two-year terms at bi-annual elections. After the first election of the Board, the next election by landowners will be the first Tuesday in the applicable November. Thereafter, the elections will take place every two years on a date in November established by the Board. Upon the later of six years after the initial appointment of Supervisors and the year when the District next attains at least 250 qualified electors, Supervisors whose terms are expiring will begin to be elected (as their terms expire) by qualified electors of the District. A qualified elector is a registered voter who is at least eighteen years of age, a resident of the District and the State and a citizen of the United States. At the election where Supervisors are first elected by qualified electors, two Supervisors must be qualified electors and be elected by qualified electors, each elected to four-year terms. The seat of the remaining Supervisor whose term is expiring at such election shall be filled by a Supervisor who is elected by the landowners for a four-year term and who is not required to be a qualified elector. Thereafter, as terms expire, all Supervisors must be qualified electors and must be elected by qualified electors to serve staggered four-year terms.

Notwithstanding the foregoing, if at any time the Board proposes to exercise its ad valorem taxing power, prior to the exercise of such power, it shall call an election at which all

\* A portion of the District Lands that were initially located in unincorporated Polk County were voluntarily annexed into the City in 2018, pursuant to Ordinance 18-1601 of the City Commission of the City.

Supervisors shall be elected by qualified electors in the District. Elections subsequent to such decision shall be held in a manner such that the Supervisors will serve four-year terms with staggered expiration dates in the manner set forth in the Act.

The Act provides that it shall not be an impermissible conflict of interest under State law governing public officials for a Supervisor to be a stockholder, officer or employee of an owner of the land within the District.

The current members of the Board and the date of expiration of the term of each member are set forth below:

<b>Name</b>	<u>Title</u>	<b>Term Expires</b>
Warren "Rennie" Heath II*	Chair	November 2022
Lauren Schwenk*	Vice Chair	November 2002
Keaton Alexander*	Assistant Secretary	November 2020
Andrew Rhinehart*	Assistant Secretary	November 2022
Patrick Marone*	Assistant Secretary	November 2020

<sup>\*</sup> Elected by the Landowners; affiliated with the Landowners or their affiliates.

A majority of the Supervisors constitutes a quorum for the purposes of conducting the business of the District and exercising its powers and for all other purposes. Action taken by the District shall be upon a vote of the majority of the Supervisors present unless general law or a rule of the District requires a greater number. All meetings of the Board are open to the public under the State's "sunshine" or open meetings law.

# **Powers and Authority**

As a special district, the District has only those powers specifically delegated to it by the Act and the Ordinance, or necessarily implied from powers specifically delegated to it. The Act provides that the District has the power to issue general obligation, revenue and special assessment bonds in any combination to pay all or part of the cost of infrastructure improvements authorized under the Act. The Act further provides that the District has the power to levy and assess taxes on all taxable real and tangible personal property, and to levy Special Assessments on specially benefited lands, within its boundaries to pay the principal of and interest on bonds issued and to provide for any sinking or other funds established in connection with any such bond issues. The Act also authorizes the District to impose assessments to maintain assets of the District and to pay operating expenses of the District. The District may also impose user fees, rates and charges and may enter into agreements with property owner associations within and without the boundaries of the District in order to defray its administrative, maintenance and operating expenses.

Among other provisions, the Act gives the District the right (i) to hold, control, and acquire by donation, purchase, condemnation, or dispose of, any public easements, dedications to public use, platted reservations for public purposes, or any reservations for those purposes authorized by the Act and to make use of such easements, dedications, or reservations for any of the purposes authorized by the Act, (ii) to finance, fund, plan, establish, acquire, construct or

reconstruct, enlarge or extend, equip, operate and maintain systems and facilities for various basic infrastructures, including District roads equal to or exceeding the specifications of the County in which such district roads are located, facilities for indoor and outdoor recreational, cultural and educational uses, and any other project within or without the boundaries of the District when a local government has issued a development order approving or expressly requiring the construction or funding of the project by the District, or when the project is the subject of an agreement between the District and a governmental entity and is consistent with the local government comprehensive plan of the local government within which the project is to be located, (iii) to borrow money and issue bonds of the District, and (iv) to exercise all other powers necessary, convenient, incidental, or proper in connection with any of the powers or duties of the District stated in the Act.

Also, pursuant to the Ordinance, the District has been granted special powers pursuant to Sections 190.012(1), 190.012(2)(a) and (d) of the Act and 190.012(3) of the Act. Such special powers include the right to (i) finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate, and maintain systems, facilities, and basic infrastructures for (a) water management and control for the lands within the District and to connect some or any of such facilities with roads and bridges, (b) water supply, sewer, and wastewater management, reclamation, and reuse or any combination thereof, and to construct and operate connecting intercepting 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, (c) bridges or culverts that may be needed across any drain, ditch, canal, floodway, holding basin, excavation, public highway, tract, grade, fill, or cut and roadways over levees and embankments, and to construct any and all of such works and improvements across, through, or over any public right-of-way, highway, grade, fill or cut, (d) District roads equal to or exceeding the specifications of the County in which such District roads are located, and street lights, (e) buses, trolleys, transit shelters, ridesharing facilities and services, parking improvements, and related signage, (f) investigation and remediation costs associated with the cleanup of actual or perceived environmental contamination within the District under the supervision or direction of a competent governmental authority unless the covered costs benefit any person who is a landowner within the District and who caused or contributed to the contamination, (g) 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, and (h) any other project within or without the boundaries of the District when a local government issued a development order approving or expressly requiring the construction or funding of the project by the District, or when the project is the subject of an agreement between the District and a governmental entity and is consistent with the local government comprehensive plan of the local government within which the project is to be located, (ii) parks and facilities for indoor and outdoor recreational and cultural uses, (iii) security, including, but not limited to, guardhouses, fences and gates, electronic intrusion detection systems, and patrol cars, or industrial waste, and (iv) adopt and enforce appropriate rules in connection with the provision of one or more services through the District's systems and facilities.

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 performed by the City and the County, as applicable, acting through their respective Commissions and 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 2020A Bonds.

# The District Manager and Other Consultants

The chief administrative official of the District is the District Manager. The Act provides that the District Manager shall have charge and supervision of the works of the District and shall be responsible for preserving and maintaining any improvement or facility constructed or erected pursuant to the provisions of the Act, for maintaining and operating the equipment owned by the District, and for performing such other duties as may be prescribed by the Board. Governmental Management Services – Central Florida, LLC, serves as District Manager. The District Manager's corporate office is located at 135 W. Central Boulevard, Suite 320, Orlando, Florida 32801.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Hopping Green & Sams P.A., Tallahassee, Florida, as District Counsel; Greenberg Traurig, P.A., Miami, Florida, as Bond Counsel. Governmental Management Services – Central Florida, LLC, also serves as Methodology Consultant for the Series 2020A Bonds.

# **Outstanding Indebtedness**

On April 25, 2019, the District issued its Special Assessment Bonds, Series 2019 (the "Assessment Area 1 Bonds") in the original aggregate principal amount of \$6,385,000, all of which was outstanding as of December 30, 2019. The Assessment Area 1 Bonds are secured by the Assessment Area 1 Special Assessments, which are levied on lands within Assessment Area 1 of the District Lands, which are separate and distinct from the lands within the lands in Assessment Area 2 and Assessment Area 3 that are subject to the Assessment Area 2 Special Assessments and the Assessment Area 3 Special Assessments securing the Assessment Area 2 Bonds and the Assessment Area 3 Bonds, respectively.

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#### CAPITAL IMPROVEMENT PLAN AND THE PROJECTS

#### Overview

The Highland Meadows West Community Development District Engineer's Report for Capital Improvements dated July 2018, as supplemented by the Second Supplemental Engineer's Report for Capital Improvements dated September 18, 2019 (collectively, the "Engineer's Report"), prepared by Wood & Associates Engineering, LLC (formerly Dennis Wood Engineering, LLC) (the "District Engineer"), sets forth the public infrastructure improvements to be constructed in the District, including without limitation certain offsite improvements, stormwater management facilities, water, sewer and electrical street lighting, roadway, entry feature and signage, amenities, and parks and recreation facilities (collectively, the "Capital Improvement Plan" or "CIP").

The District Lands are being developed in phases. The District previously issued its Assessment Area 1 Bonds to fund a portion of the CIP associated with the development of Assessment Area 1 of the District Lands (the "Assessment Area 1 Project"). The Assessment Area 1 Project is [substantially complete, and Assessment Area 1 has been platted to contain 266 single-family residential units.] See "THE DEVELOPMENT – Update on Assessment Area 1" herein for more information regarding Assessment Area 1.

The net proceeds from the Assessment Area 2 Bonds will fund a portion of the CIP associated with development of Assessment Area 2 of the District Lands (the "Assessment Area 2 Project"), and the net proceeds from the Assessment Area 3 Bonds will fund a portion of the CIP associated with the development of Assessment Area 3 of the District Lands (the "Assessment Area 3 Project"), each as further described below.

# The Assessment Area 2 Project

The Assessment Area 2 Project consists of a portion of the CIP associated with the development of Assessment Area 2, which corresponds to Phase 2 of the Development and is currently planned for 130 single-family units. According to the District Engineer, the costs associated with the Assessment Area 2 Project are approximately \$2,868,000, as more particularly described below.

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Infrastructure	<b>Estimated Cost</b>
Off-Site Improvements	\$ 118,000
Stormwater Management	560,000
Utilities (Water, Sewer & Street Lighting)	970,000
Roadway	490,000
Entry Feature & Signage	210,000
Amenity Center	201,790
Parks and Recreation Facilities	58,210
Contingency	260,000
TOTAL	\$2,868,000

The net proceeds of the Assessment Area 2 Bonds, consisting of approximately \$\_\_\_\_\_ million,\* will be used to construct or purchase a portion of the Assessment Area 2 Project. The Assessment Area 2 Landowner will enter into a completion agreement at closing on the Assessment Area 2 Bonds to complete the Assessment Area 2 Project to the extent the proceeds of the Assessment Area 2 Bonds are insufficient therefor. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete the Projects or the Construction of Homes within the Assessment Areas."

Land development in Assessment Area 2 [commenced / is expected to commence] in \_\_\_\_\_ 20\_\_ and is expected to be completed in the \_\_\_\_ quarter of 20\_\_. See "THE DEVELOPMENT – Development Plan and Status" herein for more information.

# The Assessment Area 3 Project

The Assessment Area 3 Project consists of a portion of the CIP associated with the development of Assessment Area 3, which corresponds to Phase 3 of the Development and is currently planned for 46 single-family units. According to the District Engineer, the costs associated with the Assessment Area 3 Project are approximately \$988,000, as more particularly described below.

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<sup>\*</sup> Preliminary, subject to change.

Infrastructure	<b>Estimated Cost</b>
Off-Site Improvements	\$ 42,000
Stormwater Management	200,000
Utilities (Water, Sewer & Street Lighting)	350,000
Roadway	200,000
Entry Feature & Signage	20,000
Amenity Center*	70,000
Parks and Recreation Facilities	20,000
Contingency	86,000
TOTAL	\$988,000

The net proceeds of the Assessment Area 3 Bonds, consisting of approximately \$\_\_\_\_\_\_ million,\* will be used to construct or purchase a portion of the Assessment Area 3 Project. The Assessment Area 3 Landowner will enter into a completion agreement at closing on the Assessment Area 3 Bonds to complete the Assessment Area 3 Project to the extent the proceeds of the Assessment Area 3 Bonds are insufficient therefor. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete the Projects or the Construction of Homes within the Assessment Areas."

Land development in Assessment Area 3 [commenced / is expected to commence] in \_\_\_\_\_ 20\_\_ and is expected to be completed in the \_\_\_\_ quarter of 20\_\_. See "THE DEVELOPMENT – Development Plan and Status" herein for more information.

#### General

Upon completion, the water and sewer facilities in the Development will be owned and maintained by the City. The sidewalks, entry feature and signage, and the improvements comprising the stormwater management system will be owned and maintained by the District.

The District Engineer has indicated that all engineering permits necessary to construct the Assessment Area 2 Project and the Assessment Area 3 Project have been obtained or will be obtained in the ordinary course of business. In addition to the Engineer's Report, please refer to "THE DEVELOPMENT — Development Approval" for a more detailed description of the entitlement and permitting status of the Development[, including certain additional permits needed for development of the District Lands]. See "APPENDIX A: ENGINEER'S REPORT" for more information regarding the above improvements.

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<sup>\*</sup> Preliminary, subject to change.

#### ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS

#### Overview

The Master Assessment Methodology for Highlands Meadows West Community Development District dated July 24, 2018, as supplemented by the Supplemental Assessment Methodology dated [November 13, 2019] (collectively, the "Assessment Methodology"), which allocates the [Assessment Area 2 Special Assessments and the Assessment Area 3 Special Assessments] to the lands within the Assessment Area 2 and Assessment Area 3, respectively, has been prepared by Governmental Management Services – Central Florida, LLC, Orlando, Florida (the "Methodology Consultant"). See "EXPERTS" herein for more information. The Assessment Methodology is included herein as APPENDIX E. Once the final terms of the Series 2020A Bonds are determined, the Assessment Methodology will be supplemented to reflect such final terms. Once levied and imposed, the Assessment Area 2 Special Assessments and the Assessment Area 3 Special Assessments are a first lien on the assessed lands within Assessment Area 2 and Assessment Area 3, respectively, 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 2 Special Assessments**

The Assessment Area 2 Bonds are payable from and secured by a pledge of the Assessment Area 2 Pledged Revenues, which consist primarily of the revenues received by the District from the Assessment Area 2 Special Assessments levied on the assessed lands within the Assessment Area 2. The District will initially impose the Assessment Area 2 Special Assessments on an equal per acreage basis across all of the assessable lands in Assessment Area 2 within the District Lands, which contain approximately 29.2 gross acres planned for 130 single-family homes. As the unplatted lands within Assessment Area 2 are platted, the debt will be transferred from gross acres to platted lots in accordance with the Assessment Methodology. See "APPENDIX E: ASSESSMENT METHODOLOGY" for more information. Upon full platting of Assessment Area 2, the estimated Assessment Area 2 Special Assessments levied and allocated to platted units to pay debt service on the Assessment Area 2 Bonds and the Assessment Area 2 Bond estimated par per unit are estimated to be as follows:

		<b>Annual Assessment Area 2</b>	Assessment Area 2 Bonds
<b>Product</b>	# of Units	Special Assessment*	Total Par Per Unit*
50'	130	\$1,863	\$27,813

<sup>\*</sup> Preliminary, subject to change. Annual assessments levels shown assume collection via the Uniform Method and include a gross up to account for estimated County collection costs/payment discounts, which may fluctuate. Pursuant to the terms of the Builder Contracts (as defined herein), the Assessment Area 2 Landowner will pay down the Assessment Area 2 Special Assessments on each lot no later than closing with the applicable Builders (as defined herein) on such lot so that the annual assessment (inclusive of collection costs) for such lot will not exceed \$1,250, representing a pay down of \$8,888 (preliminary, subject to change) per lot.

# **Assessment Area 3 Special Assessments**

The Assessment Area 3 Bonds are payable from and secured by a pledge of the Assessment Area 3 Pledged Revenues, which consist primarily of the revenues received by the District from the Assessment Area 3 Special Assessments levied on the assessed lands within the Assessment Area 3. The District will initially impose the Assessment Area 3 Special Assessments on an equal per acreage basis across all of the assessable lands in Assessment Area 3 within the District Lands, which contain approximately 9.76 gross acres planned for 46 single-family homes. As the unplatted lands within Assessment Area 3 are platted, the debt will be transferred from gross acres to platted lots in accordance with the Assessment Methodology. See "APPENDIX E: ASSESSMENT METHODOLOGY" for more information. Upon full platting of Assessment Area 3, the estimated Assessment Area 3 Special Assessments levied and allocated to platted units to pay debt service on the Assessment Area 3 Bonds and the Assessment Area 3 Bond estimated par per unit are estimated to be as follows:

		<b>Annual Assessment Area 3</b>	<b>Assessment Area 3 Bonds</b>
<b>Product</b>	# of Units	Special Assessment*	<b>Total Par Per Unit*</b>
50'	46	\$1,863	\$27,813

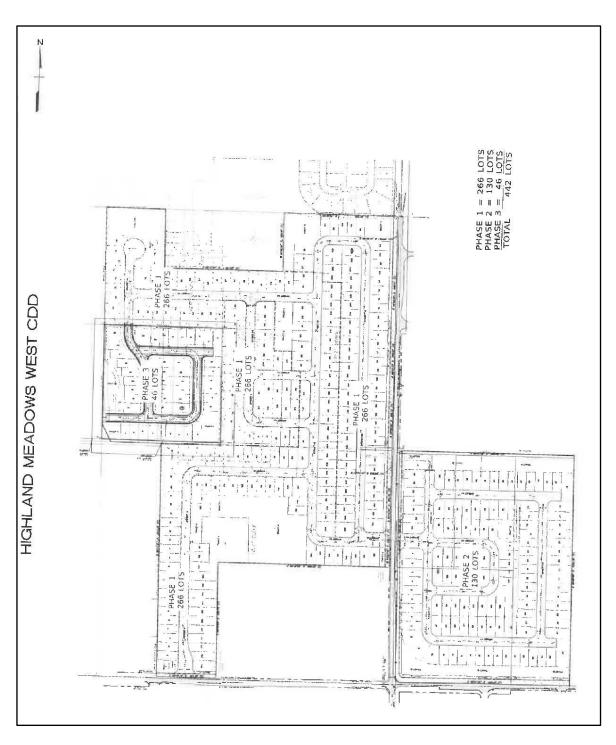
<sup>\*</sup> Preliminary, subject to change. Annual assessments levels shown assume collection via the Uniform Method and include a gross up to account for estimated County collection costs/payment discounts, which may fluctuate. [Pursuant to the terms of the Builder Contracts (as defined herein), the Assessment Area 3 Landowner will pay down the Assessment Area 3 Special Assessments on each lot no later than closing with the applicable Builders (as defined herein) on such lot so that the annual assessment (inclusive of collection costs) for such lot will not exceed \$1,250, representing a pay down of \$8,888 (preliminary, subject to change) per lot.]

#### Other Taxes and Assessments

The District anticipates levying assessments to cover its operation and administrative costs that are initially expected not to exceed approximately [\$750] per single-family unit annually, but such amounts are subject to change. The land within the District has been and will continue to be subject to taxes and assessments imposed by taxing authorities other than the District. These taxes are payable in addition to the Series 2020A 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 City, the County and the School Board of Polk County 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 – Taxes, Fees and Assessments" for more information.

Set forth on the following page is a map showing the proposed development plan for the District Lands, including the location of Assessment Area 2, which correspond to Phase 2, and Assessment Area 3, which corresponds to Phase 3.

[Remainder of page intentionally left blank.]



[Remainder of page intentionally left blank.]

The information appearing below under the captions "THE DEVELOPMENT" and "THE LANDOWNERS" has been furnished by the Landowners for inclusion in this Limited Offering Memorandum and, although believed to be reliable, such information has not been independently verified by Bond Counsel, the District or its counsel, or the Underwriter or its counsel, and no persons other than the Landowners make any representation or warranty as to the accuracy or completeness of such information supplied by them. The following information is provided by the Landowners as a means for the prospective bondholders to understand the anticipated development plan and risks associated with the Development. The Landowners are not guaranteeing payment of the Series 2020A Bonds or the Series 2020A Special Assessments.

#### THE DEVELOPMENT

#### **General Overview**

The boundaries of the District include a total of approximately 97.67 gross acres of land (the "District Lands") located within the incorporated boundaries of Haines City (the "City"). The District Lands are being developed as a planned residential community under the name Orchid Terrace (the "Development").

At buildout, the Development is planned to contain approximately 442 single-family homes and related recreation and amenity areas. The Development is located approximately 7 miles south of Interstate 4 and approximately 0.25 miles east of Highway 27, north of Patterson Road and along either side of Orchid Drive.

Development residents will have access to the Posner Park shopping center, Heart of Florida Hospital, and other shopping and dining venues in the area, in addition to Central Florida attractions such as Walt Disney World Resort and LEGOLAND Florida, each located within 30 minutes from the Development. Additionally, the Highland Reserve Golf Club and Ridgewood Lakes Golf and Country Club are nearby. Due to its proximity to Tampa and Orlando, the Development serves as a "bedroom community" to those markets.

The Development is being developed in phases. The District previously its Assessment Area 1 Bonds in April 2019 to finance a portion of the infrastructure costs associated with Phase 1 of the Development, consisting of 266 lots ("Assessment Area 1"). [As of \_\_\_\_\_\_, 2019, \_\_\_\_ lots in Phase 1 have been developed and platted and \_\_\_\_\_ homes have been sold and closed with homebuyers.] See "-Update on Assessment Area 1" below for more information.

The Assessment Area 2 Special Assessments will initially be levied on all of the assessable lands within Assessment Area 2, which corresponds to Phase 2 of the Development and is planned for 130 single-family residential lots. The Assessment Area 3 Special Assessments are expected to be levied on all of the assessable lands within Assessment Area 3, which corresponds to Phase 3 of the Development and is planned for 46 single-family residential lots. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein.

Currently, all of the lands in Assessment Area 2 are owned by Orchid Terrace Development, LLC (the "Assessment Area 2 Landowner"), and all of the lands in Assessment Area 3 are owned by Orchid Terrace Group, LLC (the "Assessment Area 3 Landowner" and,

together with the Assessment Area 2 Landowner, the "Landowners"). See "THE LANDOWNERS" herein for more information. [An affiliate of] the Assessment Area 2 Landowner has entered into a builder contract with Lennar Homes (as defined herein) to purchase 128 fully developed lots in Assessment Area 2 in a single bulk sale. The Assessment Area 3 Landowner has entered into a builder contract with Ryan Homes (as defined herein) to purchase 46 fully developed lots in Assessment Area 3 and two lots in Assessment Area 2 in a series of quarterly takedowns. See "THE DEVELOPMENT – Builder Contracts" herein for more information.

The Development is intended to continue the success of other nearby communities in the northeastern portion of the County, including Highland Meadows (which is located immediately to the east of the Development), Citrus Isle, Orchid Grove and North Ridge Estates. Together, these communities have achieved annual net sales of approximately 390 homes in 2018 and approximately [\_\_\_\_ homes in the first three quarters of 2019], with an average sales price of approximately \$[205,000].

# **Update on Assessment Area 1**

The District previously issued its Assessment Area 1 Bonds in the original aggregate principal amount of \$6,385,000 on April 25, 2019 to finance a portion of the costs associated with the development of Assessment Area 1, which corresponds to Phase 1 of the Development. Assessment Area 1 is expected to contain 266 single-family residential lots. Land development in Assessment Area 1 is expected to be complete in [January 2020, with delivery to homebuilders within Assessment Area 1 expected upon development completion in January 2020. Home sales in Assessment Area 1 are expected to commence in the first quarter of 2020 with closings to homebuyers expected to commence in the second quarter of 2020.] The lands in Assessment Area 1 are separate and distinct from the lands within Assessment Area 2 and Assessment Area 3 on which the Series 2020A Assessments are levied.

# **Land Acquisition**

The Assessment Area 2 Landowner acquired title to the lands in Assessment Area 2 on
, 20 , for a purchase price of approximately \$ . [The lands in Assessment
Area 2 are not subject to a mortgage.]
The Assessment Area 3 Landowner acquired title to the lands in Assessment Area 3 on, 20, for a purchase price of approximately \$ [Mortgages?]
Finance Plan
The total estimated cost to develop the 130 lots planned for Assessment Area 2 is
approximately \$2.868 million. As of, 2019, the Assessment Area 2 Landowner has
spent approximately \$ in engineering and permitting costs relating to the Assessment
Area 2 Project. Land development costs in the amount of approximately \$ million* will be
funded with proceeds from the Assessment Area 2 Bonds, with any remaining costs to be funded

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from [Builder deposits and/or Landowner equity.] The Assessment Area 2 Landowner will enter

<sup>\*</sup> Preliminary, subject to change.

into a completion agreement at closing on the Assessment Area 2 Bonds agreeing to fund the completion of the Assessment Area 2 Project in the event that the net proceeds of the Assessment Area 2 Bonds are not sufficient.

The total estimated cost to develop the 46 lots planned for Assessment Area 3 is approximately \$988,000. As of \_\_\_\_\_\_, 2019, the Assessment Area 3 Landowner has spent approximately \$\_\_\_\_\_ in engineering and permitting costs relating to the Assessment Area 3 Project. Land development costs in the amount of approximately \$\_\_\_\_ million\* will be funded with proceeds from the Assessment Area 3 Bonds, with any remaining costs to be funded from [Builder deposits and/or Landowner equity.] The Assessment Area 3 Landowner will enter into a completion agreement at closing on the Assessment Area 3 Bonds agreeing to fund the completion of the Assessment Area 3 Project in the event that the net proceeds of the Assessment Area 3 Bonds are not sufficient.

See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete the Projects or the Construction of Homes within the Assessment Areas" herein.

# **Development Plan and Status**

Land development in Assessment Area 2 [commenced / will commence in
20_] and is expected to be completed in 2020. Land
development in Assessment Area 3 will commence in 2020 and is expected to be
completed in 2020. Two model homes are expected to be constructed in Phase 2.
The Landowners anticipate that the Builders will commence home sales in the
Assessment Area 2 in the quarter of 20_ [and in Assessment Area 3 in the quarter
of 20], and that closings with homebuyers will commence in the quarter of 20
Based on sales at nearby communities, the Landowners expect that homes will be closed with
residential end users at the rate of approximately homes per month until buildout. These
anticipated absorption rates are based upon estimates and assumptions made by the Landowners
that are inherently uncertain, though considered reasonable by the Landowners, and are subject
to significant business, economic, and competitive uncertainties and contingencies, all of which
are difficult to predict and many of which are beyond the control of the Landowners. As a result,
there can be no assurance such absorption rates will occur or be realized in the timeframes
anticipated.
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#### **Builder Contracts**

#### **Lennar Homes**

An affiliate of the Assessment Area 2 Landowner has entered into an Agreement for the Purchase and Sale of Real Property effective October 11, 2019, as amended (the "Lennar Homes Contract") with Lennar Homes, LLC, a Florida limited liability company ("Lennar Homes"). The Lennar Homes Contract provides for the bulk sale of one hundred twenty-eight (128) 50' fully developed residential lots planned within Assessment Area 2. The Lennar Homes Contract provides for a purchase price of \$47,500 per 50' lot, for an aggregate purchase price of

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<sup>\*</sup> Preliminary, subject to change.

approximately \$6,080,000. Pursuant to the Lennar Homes Contract, the Closing shall occur on the earlier of (i) fifteen days following Lennar Homes' receipt of the Acceptance Notice (as defined therein), and (ii) 305 days following Lennar Homes' receipt of its Notice to Proceed (as defined therein). The Assessment Area 2 Landowner anticipates the Closing will occur in the \_\_\_\_\_ quarter of 20\_\_.

Pursuant to the Lennar Homes Contract, Lennar Homes [has made a deposit of \$926,250], which deposit will be released to the Assessment Area 2 Landowner upon satisfaction of certain conditions as set forth in the Lennar Homes Contract. There is a risk that Lennar Homes may not close on any lots pursuant to the Lennar Homes Contract or may fail to construct homes on such lots. "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete the Projects or the Construction of Homes in the Assessment Areas" herein.

Lennar Homes was formed on November 30, 2006 and is wholly owned by Lennar Corporation ("Lennar Corp."). Lennar Corp. stock trades on the New York Stock Exchange under the symbol LEN. Lennar Corp. is subject to the informational requirements of the Securities and Exchange Commission Act of 1934, as amended, and in accordance therewith files reports, proxy statements, and other information with the Securities and Exchange Commission (the "SEC"). The file number for Lennar Corp. is No-1-11749. Such reports, proxy statements, and other information can be inspected and copied at the Public Reference Section of the SEC, Room 100 F Street, N.E., Washington D.C. 20549 and at the SEC's internet website at http://www.sec.gov. Copies of such materials can be obtained by mail from the Public Reference Section of the SEC at prescribed rates. All documents subsequently filed by Lennar Corp. pursuant to the requirements of the Securities and Exchange Commission Act of 1934 after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

# **Ryan Homes**

The Assessment Area 3 Landowner has entered into a Lot Purchase Agreement with NVR, Inc., a Virginia corporation d/b/a Ryan Homes ("Ryan Homes," and, together with Lennar Homes, the "Builders"), dated October 22, 2019, as amended (collectively, the "Ryan Homes Agreement") for the purchase of forty-six (46) 50' single-family residential detached lots in Assessment Area 3 and two (2) lots to be constructed as a Model Lot and Parking Lot in Assessment Area 2. The Ryan Homes Agreement provides for a purchase price of \$52,500 for each 50' lot, which is subject to adjustment and quarterly increases as set forth in the Ryan Homes Agreement.

The Ryan Homes Agreement provides for an initial closing on two (2) model lots, to be constructed as a Model Lot and a Parking Lot (the "Model Lot Closing") within fifteen (15) days after Ryan Homes receives notice that the Assessment Area 3 Landowner has completed its development obligations under the Ryan Homes Agreement, which the Assessment Area 3 Landowner anticipates will occur in the \_\_\_\_\_ quarter of 20\_\_. Commencing with the quarter beginning on the later of (i) sixty (60) days after the expiration of the Model Lot Purchase Period and (ii) fifteen (15) days after Ryan Homes' receipt of the Completion Notice, Ryan Homes is

required to purchase twelve (12) lots per quarter until all lots are sold, all subject to the terms and conditions of the Ryan Homes Agreement.

Pursuant to the terms of the Ryan Homes Agreement, Ryan Homes has made a deposit of \$[20,000] and will make an additional deposit of \$232,000 upon receipt of notice from the Assessment Area 3 Landowner that construction has commenced, which may be released to the Assessment Area 3 Landowner and will be secured by an indemnity mortgage encumbering all of the lands Ryan Homes has under contract in the event the Assessment Area 3 Landowner defaults in its obligations under the Ryan Homes Agreement.] There is a risk that Ryan Homes may not close on any lots pursuant to the Ryan Homes Agreement or may fail to construct homes on such lots. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete the Projects or the Construction of Homes within the Assessment Areas" herein.

Ryan Homes is a Virginia corporation and the parent company of Ryan Homes, NVR Homes and Fox Ridge Homes, which construct new homes, NVR Mortgage, which provides a variety of house financing programs, and NVR Settlement Services, which provides settlement and title services. Ryan Homes operates in two business segments: house building and mortgage banking. Ryan Homes' stock trades on the New York Stock Exchange under the symbol NVR. Ryan Homes is subject to the informational requirements of the Securities and Exchange Commission Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements, and other information with the Securities and Exchange Commission (the "SEC"). The file number for Ryan Homes is No-0000906163. Such reports, proxy statements, and other information can be inspected and copied at the Public Reference Section of the SEC, Room 1024, 450 Fifth Street NW, Judiciary Plaza, Washington, DC, and at the SEC's internet website at http://www.sec.gov. Copies of such materials can be obtained by mail from the Public Reference Section of the SEC at prescribed rates. All documents subsequently filed by Ryan Homes pursuant to the requirements of the Exchange Act after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

Neither the Builders nor any of the other entities listed above are guaranteeing payment of the Series 2020A Bonds or the Series 2020A Special Assessments. None of the entities listed herein, other than the Landowners, have entered into any agreements in connection with the issuance of the Series 2020A Bonds.

# **Residential Product Offerings**

The following table reflects the Landowners' current expectations for the homes to be constructed in Assessment Area 2 and Assessment Area 3, all of which are subject to change:

			Bedrooms /	Expected
<b>Product Type</b>	# of Lots	<b>Square Footage</b>	<b>Bathrooms</b>	<b>Home Price</b>
50'	176	[1,600-2,900]	[3/2 - 5/3.5]	[\$204,990 - \$259,990]

#### **Public Schools**

School age residents of the Development will attend Horizons Elementary School, Shelley S. Boone Middle School and Ridge Community High School which are located approximately 1.9 miles, 6.3 miles and 0.10 miles away from the Development, respectively, and which were rated "C" by the State in 2019 (the most recent year for which grades are available). The Polk County School Board may change school boundaries from time to time, and there is no requirement that students residing in the Development be permitted to attend the schools which are closest to the Development.

# **Development Approvals**

Assessment Area 2 has been zoned as residential planned unit development (RPUD) by the City. [The Assessment Area 2 Landowner received site plan approval from the City for the development of Assessment Area 2.] [Status of other Assessment Area 2 permits.]

[Status of Assessment Area 3 zoning approval / permits.]

The District Engineer has indicated that all permits and approvals for have been received by jurisdictional agencies to allow for the development of Assessment Area 2 and Assessment Area 3 as contemplated herein or are expected to be received in the ordinary course. See "BONDOWNERS' RISKS – Regulatory and Environmental Risks" herein.

#### **Environmental**

Phase I Environmental Site Assessments were performed on the District Lands within Assessment Area 2 in November 2015, June 2016, October 2017 and January 2018 (collectively, the "Assessment Area 2 ESAs"). The Assessment Area 2 ESAs noted that ethylene dibromide (EDB) had been detected in some groundwater wells in the vicinity and recommended that public water supply be used and the installation of groundwater wells be restricted. Drinking water will be supplied to the Assessment Area 2 by the City. The Assessment Area 2 ESAs further noted that the subject lands had historically, and portions still were being used, as a citrus grove, which use is a recognized environmental condition ("REC"), and noted that further soil testing may be recommended prior to development. The Assessment Area 2 Landowner expects that any soil contamination that may have resulted from such agricultural use will be addressed during the development of Assessment Area 2.

A Phase 1 Environmental Site Assessment was performed on Assessment Area 3 in August 2019 (the "Assessment Area 3 ESA"). The Assessment Area 3 ESA similarly noted that EDB has been detected in some groundwater wells in the vicinity and recommended that public water supply be used and the installation of groundwater wells be restricted. The Assessment Area 3 ESA further similarly noted that the subject lands had historically, and portions still were being used, as a citrus grove, which use is a REC, and noted that further soil testing may be recommended prior to development. The Assessment Area 3 Landowner expects that any soil contamination that may have resulted from such agricultural use will be addressed during the development of Assessment Area 3.

See "BONDOWNERS' RISKS - Regulatory and Environmental Risks."

# Utilities

The City of Haines City Public Utilities will provide water and sewer service to the Development. Reclaimed water is not available for the Development. An irrigation well to be funded by the District will be installed onsite to provide irrigation within public rights of way. Duke Energy will provide electrical service to the Development. See "APPENDIX A: ENGINEER'S REPORT" attached hereto for more information regarding the ownership and maintenance of utilities within the Development.

# Taxes, Fees and Assessments

The Assessment Area 2 Bonds are payable from and secured by a pledge of the Assessment Area 2 Pledged Revenues, which consist primarily of the revenues received by the District from the Assessment Area 2 Special Assessments levied on the assessed lands within Assessment Area 2. The District will initially impose the Assessment Area 2 Special Assessments on an equal per acreage basis across all of the assessable lands in Assessment Area 2, which contain approximately 29.2 gross acres planned for 130 single-family homes.

The Assessment Area 3 Bonds are payable from and secured by a pledge of the Assessment Area 3 Pledged Revenues, which consist primarily of the revenues received by the District from the Assessment Area 3 Special Assessments levied on the assessed lands within Assessment Area 3. The District will initially impose the Assessment Area 3 Special Assessments on an equal per acreage basis across all of the assessable lands in Assessment Area 3, which contain approximately 9.67 gross acres planned for 46 single-family homes.

As the unplatted lands within Assessment Area 2 and Assessment Area 3 are platted, the debt will be transferred from gross acres to platted lots in accordance with the Assessment Methodology. See "APPENDIX E: ASSESSMENT METHODOLOGY" for more information.

Upon platting of Assessment Area 2 and Assessment Area 3, the estimated Series 2020A Special Assessments levied and allocated to platted units to pay debt service on the Series 2020A Bonds and the Series 2020A Bond estimated par per unit are expected to be as follows:

		Annual Assessment Area 2	Assessment Area 2 Bonds
<b>Product</b>	# of Units	Special Assessment*	Total Par Per Unit*
50'	176	\$1,863	\$27,813

<sup>\*</sup> Preliminary, subject to change. Annual assessments levels shown assume collection via the Uniform Method and include a gross up to account for estimated County collection costs/payment discounts, which may fluctuate. Pursuant to the terms of the Builder Contracts (as defined herein), the respective Landowners will pay down the Series 2020A Special Assessments on each lot no later than closing with the applicable Builders (as defined herein) on such lot so that the annual assessment (inclusive of collection costs) for such lot will not exceed \$1,250, representing a pay down of \$8,888 (preliminary, subject to change) per lot. Such paydown is not an obligation of the District.

The District anticipates levying assessments to cover its operation and administrative costs that are initially expected not to exceed approximately [\$750] per single-family unit annually, but such amounts are subject to change. In addition, residents will be required to pay homeowners' association fees which are currently estimated to be [\$150] per residential lot

annually, which amounts are subject to change. The land within the District has been and will continue to be subject to taxes and assessments imposed by taxing authorities other than the District. The total millage rates applicable to District Lands in 2019 were approximately 21.1121 mills and 14.3954 mills within the portions of the Development located in the City and in the County, respectively. These taxes would be payable in addition to the Series 2020A 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 City, the County and the School Board of Polk County 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 2019.

#### **Amenities**

Residents of the Development will have access to an amenity center containing a pool, pavilion with restroom facilities, parking area, dog park and all-purpose field (collectively, the "Amenities"). The Amenities are being constructed in the adjoining Davenport Road South Community Development District ("Davenport CDD"), which is being developed by an affiliate of the Landowners. The Amenities will also include a tot lot located within the District.

[The District expects to reimburse the Davenport CDD for its proportionate share of the Amenities pursuant to an Interlocal Agreement. Each Assessment Area's proportionate share of the cost of the Amenities is included within the respective Project. The total cost of the Amenities is estimated to be approximately \$1,225,000.

Construction of the Amenities in the Davenport CDD commenced in November 2018 and is expected be completed by the second quarter of 2019. The Amenities will be owned and operated by the Davenport CDD upon completion.]

# Competition

The Development is expected to compete with projects in the County market generally, which include Highland Meadows, Citrus Isle and Monticelli at Tower Lake. The foregoing does not purport to summarize all of the existing or planned communities in the area of the Development.

# **Landowner Agreements**

As previously noted, each Landowner will enter into a completion agreement that will obligate such Landowner to complete any portions of the Assessment Area 2 Project or the Assessment Area 3 Project, as applicable, not funded with proceeds of the Assessment Area 2 Bonds or the Assessment Area 3 Bonds, respectively. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete the Projects or the Construction of Homes within the Assessment Areas" herein.

In addition, each Landowner will execute and deliver to the District a Collateral Assignment and Assumption of Development Rights (the "Collateral Assignment"), pursuant to which such Landowner will collaterally assign to the District, to the extent assignable and to the

extent that they are solely owned or controlled by such Landowner, development rights relating to the respective Projects and the development of the respective Assessment Areas. Notwithstanding such Collateral Assignments, in the event the District forecloses on the lands subject to the Series 2020A Special Assessments as a result of a Landowner'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 such Project or the development of such Assessment Area.

Finally, each Landowner will also enter into a True-Up Agreement in connection with its obligations to pay true-up payments in the event that debt levels remaining on unplatted or replatted lands in the Assessment Area 2 or Assessment Area 3, as applicable, increase above the maximum debt levels set forth in the Assessment Methodology. See "APPENDIX E: ASSESSMENT METHODOLOGY" herein for additional information regarding the "true-up mechanism."

Such obligations of the Landowners are unsecured obligations, and each of the Landowners is a special-purpose entity whose assets consist primarily of its interests in the respective Assessment Areas. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete the Projects or the Construction of Homes within the Assessment Areas" and "THE LANDOWNERS" herein for more information regarding the Landowners.

#### THE LANDOWNERS

#### **Assessment Area 2 Landowner**

Orchid Terrace Development, LLC, a Florida limited liability company (the "Assessment Area 2 Landowner"), owns all of the land in Assessment Area 2. The Assessment Area 2 Landowner is a special-purpose entity whose primary assets are the lands it owns within Assessment Area 2. The Assessment Area 2 Landowner was organized on \_\_\_\_\_\_\_, 20\_\_\_. [The Assessment Area 2 Landowner is owned by a limited number of investors. The sole manager of the Assessment Area 2 Landowner is John D. Alexander.]

Mr. Alexander's leadership experience in the private sector includes: President and Chief Executive Officer of Alico, Inc. (February 2010 – October 2013), Vice-Chairman of the Alico Board of Directors (October 2009 – October 2013), Director of the Board of Global Growth Trust, Inc. (August 2009 – March 2013), Director of Alico (January 2008 – October 2013), President and Chief Executive Officer of Atlantic Blue Group, Inc. (March 2005 – March 2012), Director of Atlantic Blue Group, Inc. (February 2004 – June 2012), Co-General partner of Scenic Highland Groves, LLP (1996 – 2007) and Vice President Citrus of Alico (1987 – 1997). Mr. Alexander served as a Florida State Senator (2002 – 2012) and previously served as a Florida State Representative (1998 – 2002).

#### **Assessment Area 3 Landowner**

Orchid Terrace Group, LLC, a Florida limited liability company (the "Assessment Area 3 Landowner"), owns all of the land in Assessment Area 3. The Assessment Area 3 Landowner is a special-purpose entity whose primary assets are the lands it owns within Assessment Area 3.

The Assessment Area 3 Landowner was	organized on July 10, 2019. The Assessment Area 3
Landowner is owned by	The sole manager of the Assessment Area 3
Landowner is]	
[Manager info.]	

# [Development Manager]

[The Landowners are entering into a management agreement with Heath Construction and Management, LLC, a Florida limited liability company (the "Development Manager") to oversee development of Assessment Area 2 and Assessment Area 3. The Development Manager was formed on November 2, 2006, and is engaged in the business of providing commercial and residential land acquisition and development planning, budgeting, due diligence services, construction management and government liaison services. Warren K. Heath is the managing member of the Development Manager, which he started after spending five years as the Director of Development for Highland Cassidy and Cassidy Homes. Mr. Heath has overseen the development for over 65 properties consisting of over 5,000 acres across Central Florida.]

Neither the Landowners nor any of the other individuals or entities listed above is guaranteeing payment of the Series 2020A Bonds or the Series 2020A Special Assessments. None of the entities listed herein, other than the Landowners, has entered into any agreements in connection with the issuance of the Series 2020A Bonds.

#### TAX MATTERS

#### General

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements that the District must continue to meet after the issuance of the Series 2020A Bonds in order that the interest on the Series 2020A Bonds be and remain excludable from gross income for federal income tax purposes. The District's failure to meet these requirements may cause the interest on the Series 2020A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2020A Bonds. The District has covenanted in the Indenture to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2020A Bonds.

In the opinion of Greenberg Traurig, P.A., Bond Counsel, assuming the accuracy of certain representations and certifications of the District and continuing compliance by the District with the tax covenants referred to above, under existing statutes, regulations, rulings, and court decisions, the interest on the Series 2020A Bonds is excludable from gross income of the holders thereof for federal income tax purposes. Interest on the Series 2020A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Bond Counsel is further of the opinion that the Series 2020A Bonds and the income thereon are not subject to taxation under the laws of the State, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income, or profits on debt obligations owned by corporations as defined in said Chapter 220. Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2020A Bonds. Prospective purchasers of the Series

2020A Bonds should consult their own tax advisors as to the status of interest on the Series 2020A Bonds under the tax laws of any state other than the State.

The above opinion on federal tax matters with respect to the Series 2020A Bonds will be based on and will assume the accuracy of certain representations and certifications of the District and the Landowners, and compliance with certain covenants of the District to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2020A Bonds will be and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations. Bond Counsel will express no opinion as to any other consequences regarding the Series 2020A Bonds.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Series 2020A Bonds, or the ownership or disposition of the Series 2020A Bonds. Prospective purchasers of Series 2020A Bonds should be aware that the ownership of Series 2020A Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2020A Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Series 2020A Bonds, (iii) the inclusion of the interest on the Series 2020A Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Series 2020A Bonds in the 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 the Series 2020A Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Series 2020A Bonds. Prospective purchasers of the Series 2020A Bonds should consult their own tax advisors as to the impact of these other tax consequences.

Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date of issuance of the Series 2020A Bonds. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the IRS or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

# [Original Issue Discount and Premium]

Certain of the Series 2020A Bonds ("Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond determined under Code Section 1273 or 1274 (*i.e.*, for obligations issued for money in a public offering, the initial

offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2020A Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale, or other disposition of that Discount Bond.

Certain of the Series 2020A Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity), or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to the Discount or Premium Bonds and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

# **Changes in Federal and State Tax Law**

From time to time, there are legislative proposals suggested, debated, introduced, or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or state tax matters, respectively, described above including, without limitation, the excludability from gross income of interest on the Series 2020A Bonds, or adversely affect the market price or marketability of the Series 2020A Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Series 2020A Bonds. Prospective purchasers of the Series 2020A Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

# **Information Reporting and Backup Withholding**

Interest paid on tax-exempt bonds such as the Series 2020A 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 2020A 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 2020A Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Series 2020A Bonds and proceeds from the sale of Series 2020A Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2020A Bonds. This withholding generally applies if the owner of Series 2020A 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 2020A 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.

# AGREEMENT BY THE STATE

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

#### LEGALITY FOR INVESTMENT

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

# SUITABILITY FOR INVESTMENT

In accordance with applicable provisions of Florida law, the Series 2020A Bonds may initially be sold by the District only to "accredited investors" within the meaning of Chapter 517, Florida Statutes, and the rules of the Florida Department of Financial Services promulgated thereunder. The limitation of the initial offering to accredited investors does not denote restrictions on transfer in any secondary market for the Series 2020A Bonds. Investment in the

Series 2020A Bonds poses certain economic risks. No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing.

#### **ENFORCEABILITY OF REMEDIES**

The remedies available to the owners of the Series 2020A Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Series 2020A Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2020A Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors and enacted before or after such delivery.

#### FINANCIAL STATEMENTS

This District will covenant in Continuing Disclosure Agreements (the "Disclosure Agreements"), the proposed forms of which are set forth in APPENDIX D hereto, to provide its annual audited financial statements to certain information repositories as described in APPENDIX D, commencing with the audit for the District's fiscal year ended September 30, 2019. Attached hereto as APPENDIX F is a copy of the District's unaudited monthly financial statements for the period ended [September 30, 2019]. The District does not have audited financial statements because the District has only recently been established. The Series 2020A Bonds are not general obligation bonds of the District and are payable solely from the Series 2020A Pledged Revenues.

Beginning October 1, 2015, or by the end of the first full fiscal year after its creation, each community development district in Florida must have a separate website with certain information as set forth in Section 189.069, F.S., including, without limitation, the district's proposed and final budgets and audit. Additional information regarding the District's website is available from the District Manager at the address set forth under "THE DISTRICT – The District Manager and Other Consultants."

#### LITIGATION

#### **The District**

There is no litigation of any nature now pending or, to the knowledge of the District threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2020A Bonds, or in any way contesting or affecting (i) the validity of the Series 2020A Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, (ii) the pledge or application of any moneys or security provided for the payment of the Series 2020A Bonds, (iii) the existence or powers of the District or (iv) the validity of the Assessment Proceedings.

#### The Landowners

Each of the Landowners has represented to the District that there is no litigation of any nature now pending or, to the knowledge of such Landowner, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of such Landowner to complete the development of its lands within the District, as described herein, materially and adversely affect the ability of such Landowner to pay the related Series 2020A Special Assessments imposed against the land owned by such Landowner or materially and adversely affect the ability of such Landowner to perform its various obligations described in this Limited Offering Memorandum.

#### **NO RATING**

No application for a rating of the Series 2020A Bonds has been made to any rating agency, nor is there any reason to believe that the District would have been successful in obtaining an investment grade rating for the Series 2020A Bonds had application been made.

# 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 is not and has never been in default on any bonds or other debt obligations since December 31, 1975.

# **CONTINUING DISCLOSURE**

The District and the Landowners will enter into the Continuing Disclosure Agreements (the "Disclosure Agreements") in the proposed forms of APPENDIX D, for the benefit of the Series 2020A Bondholders (including owners of beneficial interests in such Series 2020A Bonds), to provide certain financial information and operating data relating to the District and the Development by certain dates prescribed in the Disclosure Agreements (the "Reports") with the MSRB through the MSRB's EMMA system. The specific nature of the information to be contained in the Reports is set forth in APPENDIX D hereto. Under certain circumstances, the failure of the District or a Landowner to comply with their respective obligations under a Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under a Disclosure Agreement would allow the related Series 2020A Bondholders (including owners of beneficial interests in the Bonds of such Series 2020A Bonds) to bring an action for specific performance.

The District has previously entered into a continuing disclosure undertaking pursuant to Rule 15c2-12, promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"), with respect to its Assessment Area 1 Bonds. A review of filings made pursuant to such prior undertaking indicates that the District has not materially failed to comply with its requirements thereunder within the last five years. The District fully anticipates satisfying all future disclosure obligations required pursuant to its Disclosure Agreement and the Rule. The District will appoint

Governmental Management Services – Central Florida, LLC, as the dissemination agent in the Disclosure Agreement.

The Landowners have not previously entered into any continuing disclosure obligations pursuant to the Rule. The Landowners fully anticipate satisfying all of their respective disclosure obligations required pursuant to the Disclosure Agreement and the Rule.

### **UNDERWRITING**

FMSbonds, Inc. (the "Underwriter"), has agreed, pursuant to a contract with the District, subject to certain conditions, to purchase from the District (i) the Assessment Area 2 Bonds, at a purchase price of \$\_\_\_\_\_\_ (par amount of the Assessment Area 2 Bonds, less [an original issue discount of \$\_\_\_\_\_\_ and] an Underwriter's discount of \$\_\_\_\_\_\_ (par amount of the Assessment Area 3 Bonds, at a purchase price of \$\_\_\_\_\_\_ (par amount of the Assessment Area 3 Bonds, less [an original issue discount of \$\_\_\_\_\_\_ and] an Underwriter's discount of \$\_\_\_\_\_\_ and] an Underwriter's discount of \$\_\_\_\_\_\_ b. The Underwriter's obligations are subject to certain conditions precedent, and the Underwriter will be obligated to purchase all of the Bonds of a Series of Series 2020A Bonds, if any Bonds of such Series of Series 2020A Bonds are purchased.

The Series 2020A Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices, and such initial offering prices may be changed from time to time by the Underwriter.

### **CONTINGENT FEES**

The District has retained Bond Counsel, District Counsel, the District Engineer, the Methodology 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 2020A Bonds. Except for the payment of certain fees to District Counsel, the District Engineer and the Methodology Consultant, the payment of fees of the other professionals is each contingent upon the issuance of the Series 2020A Bonds.

### **EXPERTS**

Wood & Associates Engineering, LLC (formerly Dennis Wood Engineering, LLC), as District Engineer, has prepared the Engineer's Report included herein as APPENDIX A, which report should be read in its entirety. Governmental Management Services – Central Florida, LLC, as the District Manager, has prepared the Assessment Methodology included herein as APPENDIX E, which report should be read in its entirety. As a condition to closing on the Series 2020A Bonds, both the District Engineer and the Methodology Consultant will consent to the inclusion of their reports in this Limited Offering Memorandum.

#### VALIDATION

Bonds issued pursuant to the terms of the Master Indenture have been validated by a judgment of the Circuit Court of the Tenth Judicial Circuit Court of Florida in and for Hardee,

Highlands and Polk Counties, issued on October 15, 2018. The period of time during which an appeal can be taken from such judgment has expired without an appeal having been taken.

### **LEGAL MATTERS**

Certain legal matters related to the authorization, sale and delivery of the Series 2020A Bonds are subject to the approval of Greenberg Traurig, P.A., Miami, Florida, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, GrayRobinson, P.A. Tampa, Florida. Certain legal matters will be passed upon for the District by its counsel, Hopping Green & Sams P.A., Tallahassee, Florida. Certain legal matters will be passed upon for the Landowners by their counsel, Straughn & Turner, P.A., Winter Haven, Florida.

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

### **MISCELLANEOUS**

Any statements made in this Limited Offering Memorandum involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representations are made that any of the estimates will be realized.

The references herein to the Series 2020A Bonds and other documents referred to herein are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to such documents for full and complete statements of such provisions.

This Limited Offering Memorandum is submitted in connection with the limited offering of the Series 2020A Bonds and may not be reproduced or used, as a whole or in part, for any purpose. This Limited Offering Memorandum is not to be construed as a contract with the purchaser or the Beneficial Owners of any of the Series 2020A Bonds.

[Remainder of page intentionally left blank.]

# **AUTHORIZATION AND APPROVAL**

The execution and delivery of this Limited Offering Memorandum has been duly authorized by the Board of Supervisors of Highland Meadows West Community Development District.

HIGHLAND MEADOWS WEST
<b>COMMUNITY DEVELOPMENT</b>
DISTRICT

By:					
	Chair	person,	Board	of Su	pervisors

# APPENDIX A ENGINEER'S REPORT

# APPENDIX B

# COPY OF MASTER INDENTURE AND PROPOSED FORMS OF SUPPLEMENTAL INDENTURES

# APPENDIX C PROPOSED FORM OF OPINION OF BOND COUNSEL

# APPENDIX D PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

# APPENDIX E ASSESSMENT METHODOLOGY

# APPENDIX F DISTRICT'S FINANCIAL STATEMENTS

# **EXHIBIT E**

# FORM OF RULE 15c2-12 CERTIFICATE

# **Highland Meadows West Community Development District**

	*Special Assessment Bonds, 2020A (Assessment Area 3 Project)
The undersigned hereby certifies and represents he is the Chairperson of the Board of Supervisors of Development District (the "District") is authorized to efurther certifies on behalf of the District to the Underwrit	Highland Meadows West Community execute and deliver this Certificate, and
1. This Certificate is delivered to enable the 12 under the Securities Exchange Act of 1934 (the "Ru sale of the above captioned bonds (the "Series 2020A Bo	le") in connection with the offering and
2. In connection with the offering and sale been prepared a Preliminary Limited Offering Memoran information concerning the Series 2020A Bonds and Offering Memorandum").	dum, dated the date hereof, setting forth
3. As used herein, "Permitted Omissions" sh selling compensation, aggregate principal amount, principatings, the identity of the Underwriter and other terms of such matters.	ipal amount per maturity, delivery dates
4. The undersigned hereby deems the Preli "final" as of its date, within the meaning of the Rule, excinformation therein is accurate and complete except for the state of the	ept for the Permitted Omissions, and the
5. If, at any time prior to the execution of occurs as a result of which the Preliminary Limited O untrue statement of a material fact or omit to state ar statements therein, in light of the circumstances under the District will promptly notify the Underwriter thereof.	ffering Memorandum might include ar ny material fact necessary to make the which they were made, not misleading
IN WITNESS WHEREOF, the undersigned hat, 2020.	as hereunto set his hand this day of
	D MEADOWS WEST ITY DEVELOPMENT DISTRICT
Chairperson	1

<sup>\*</sup> Preliminary, subject to change.

# **EXHIBIT F**

# FORM OF CONTINUING DISCLOSURE AGREEMENT

### CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") dated as of \_\_\_\_\_\_\_, 2020 is executed and delivered by the Highland Meadows West Community Development District (the "Issuer" or the "District"), Orchid Terrace Development, LLC, a Florida limited liability company (the "Landowner"), and Governmental Management Services - Central Florida, LLC, a Florida limited liability company, as dissemination agent (the "Dissemination Agent") in connection with the Issuer's Special Assessment Bonds, Series 2020A (Assessment Area 2 Project) (the "Bonds"). The Bonds are secured pursuant to a Master Trust Indenture dated as of April 1, 2019 (the "Master Indenture"), as supplemented by a Second Supplemental Trust Indenture dated as of \_\_\_\_\_\_\_ 1, 2020 (the "Second Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each entered into by and between the Issuer and U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America and having a designated corporate trust office in Orlando, Florida, as trustee (the "Trustee"). The Issuer, the Landowner and the Dissemination Agent covenant and agree as follows:

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

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

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

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

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

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

"Assessment Area" shall mean that portion of the District lands subject to Assessments, being more particularly described as Assessment Area 2 in the Limited Offering Memorandum.

"Assessments" shall mean the non-ad valorem Assessment Area 2 Special Assessments pledged to the payment of the Bonds pursuant to the Indenture.

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

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

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

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

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

"Dissemination Agent" shall mean the Issuer or an entity appointed by the Issuer to act in the capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer pursuant to Section 8 hereof. Governmental Management Services - Central Florida, LLC has been designated as the initial Dissemination Agent hereunder.

"District Manager" shall mean Governmental Management Services - Central Florida, LLC, and its successors and assigns.

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

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

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

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

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

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

"Participating Underwriter" shall mean FMSbonds, Inc.

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

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

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

"SEC" means the Securities and Exchange Commission.

"State" shall mean the State of Florida.

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

# 3. **Provision of Annual Reports.**

- Subject to the following sentence, the Issuer shall provide the Annual Report to the Dissemination Agent no later than one hundred eighty (180) days after the close of the Issuer's Fiscal Year (the "Annual Filing Date"), commencing with the Annual Report for the Fiscal Year ending September 30, 2020. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report, and may be submitted in accordance with State law, which currently requires such Audited Financial Statements to be provided up to, but no later than, nine (9) months after the close of the Issuer's Fiscal Year (the "Audited Financial Statements Filing Date"). The Issuer shall file its Audited Financial Statements for the Fiscal Year ended September 30, 2019 on or before June 30, 2020. The Issuer shall, or shall cause the Dissemination Agent to, provide to the Repository the components of an Annual Report which satisfies the requirements of Section 4(a) of this Disclosure Agreement within thirty (30) days after same becomes available, but in no event later than the Annual Filing Date or Audited Financial Statements Filing Date, if applicable. If the Issuer's Fiscal Year changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 6.
- (b) If on the fifteenth (15<sup>th</sup>) day prior to each Annual Filing Date or the Audited Financial Statements Filing Date, as applicable, the Dissemination Agent has not received a copy of the Annual Report or Audited Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be via email) to remind the Issuer of its undertaking to provide the Annual Report or Audited Financial Statements, as applicable, pursuant to Section 3(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report or the Audited Financial Statements, as applicable, in accordance with Section 3(a) above, or (ii) advise the Dissemination Agent in writing that the Issuer will not be able to file the Annual Report or Audited Financial Statements, as applicable, within the times required under this Disclosure Agreement, state the date by which the Annual Report or the Audited Financial Statements for such year, as applicable, will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 6(a)(xvii) has occurred and to immediately send a notice to the Repository in substantially the form attached hereto as Exhibit A.

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

## (d) The Dissemination Agent shall:

- (i) determine each year prior to the Annual Filing Date the name, address and filing requirements of the Repository; and
- (ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Issuer stating that the Annual Report or Audited Financial Statement has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing all Repositories with which it was filed.
- (e) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an EMMA Compliant Format.

# 4. <u>Content of Annual Reports</u>.

- (a) Each Annual Report shall contain the following Annual Financial Information with respect to the Issuer:
- (i) The amount of Assessments levied in the Assessment Area for the most recent prior Fiscal Year.
- (ii) The amount of Assessments collected in the Assessment Area from the property owners during the most recent prior Fiscal Year.
- (iii) If available, the amount of delinquencies in the Assessment Area greater than one hundred fifty (150) days, and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of the Assessments due in any year, a list of delinquent property owners.
- (iv) If available, the amount of tax certificates sold for lands within the Assessment Area, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year.
  - (v) All fund balances in all Funds and Accounts for the Bonds.
  - (vi) The total amount of Bonds Outstanding.
- (vii) The amount of principal and interest to be paid on the Bonds in the current Fiscal Year.

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

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

- (b) The Issuer and each Obligated Person agree to supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The Issuer acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the Issuer, Obligated Persons and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the Issuer, an Obligated Person or others as thereafter disseminated by the Dissemination Agent.
- (c) Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

## 5. Quarterly Reports.

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

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

## 6. Reporting of Significant Events.

- (a) This Section 6 shall govern the giving of notices of the occurrence of any of the following Listed Events:
  - (i) Principal and interest payment delinquencies;
  - (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on the Assessment Area 2 Reserve Account reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;\*
- (v) Substitution of credit or liquidity providers, or their failure to perform;\*
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
  - (vii) Modifications to rights of Bond holders, if material;
  - (viii) Bond calls, if material, and tender offers;
  - (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
  - (xi) Rating changes;\*

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

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<sup>\*</sup> Not applicable to the Bonds at their date of issuance.

- (xiii) Consummation of a merger, consolidation, or acquisition involving the Issuer or any Obligated Person or the sale of all or substantially all of the assets of the Issuer or any Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional Trustee or the change of name of the Trustee, if material;
- (xv) Incurrence of a Financial Obligation of the Issuer or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material;
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or Obligated Person, any of which reflect financial difficulties;
- (xvii) Failure to provide (A) any Annual Report or Audited Financial Statements as required under this Disclosure Agreement that contains, in all material respects, the information required to be included therein under Section 4(a) of this Disclosure Agreement, or (B) any Quarterly Report that contains, in all material respects, the information required to be included therein under Section 5(b) of this Disclosure Agreement, which failure shall, in all cases, be deemed material under federal securities laws; and
- (xviii) Any amendment to the accounting principles to be followed in preparing financial statements as required pursuant to Section 9 hereof.
- (b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the above subsection (a) Listed Events to the Dissemination Agent in writing in sufficient time in order to allow the Dissemination Agent to file notice of the occurrence of such Listed Event in a timely manner not in excess of ten (10) Business Days after its occurrence, with the exception of the Listed Event described in Section 6(a)(xv) and (xvi), which notice will be given in a timely manner. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below. Such notice by the Issuer to the Dissemination Agent shall identify the Listed Event that has occurred, include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is in compliance within the filing dates provided within this Section 6(b)).
- (c) Notwithstanding anything contained in Section 6(b) above, each Obligated Person other than the Issuer shall notify the Issuer and the Dissemination Agent of the occurrence of a Listed Event described in subsections (a)(x), (xii), (xiii), (xv) or (xvi) that has occurred with respect to such Obligated Person in compliance with the notification and filing requirements provided in Section 6(b).

- (d) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall immediately file a notice of such occurrence with each Repository.
- (e) The Landowner hereby represents and warrants that it has not previously entered into any continuing disclosure agreement in connection with a prior offering of securities in order to enable an underwriter of said securities to comply with the provisions of the Rule.
- 7. <u>Termination of Disclosure Agreement</u>. This Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.
- Dissemination Agent. Upon termination of the Dissemination Agent's services as Dissemination Agent, whether by notice of the Issuer or the Dissemination Agent, the Issuer agrees to appoint a successor Dissemination Agent or, alternatively, agrees to assume all responsibilities of Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. If at any time there is not any other designated Dissemination Agent, the District shall be deemed to be the Dissemination Agent. The initial Dissemination Agent shall be Governmental Management Services Central Florida, LLC. The acceptance of such designation is evidenced by the execution of this Disclosure Agreement by a duly authorized signatory of Governmental Management Services Central Florida, LLC. Governmental Management Services Central Florida, LLC. Governmental Management Services Central Florida, LLC, may terminate its role as Dissemination Agent at any time upon delivery of thirty (30) days prior written notice to the District and each Obligated Person.
- 9. <u>Amendment; Waiver</u>. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, acceptable to the Issuer, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

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

- 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.
- 11. <u>Default</u>. In the event of a failure of the Issuer, the Disclosure Representative, any Obligated Person or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the

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

- Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement between the District, the Landowner and such Dissemination Agent. The Dissemination Agent shall have no obligation to notify any other party hereto of an event that may constitute a Listed Event. The District, each Obligated Person and the Disclosure Representative covenant that they will supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The District, the Landowner and the Disclosure Representative acknowledge and agree that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, Obligated Person(s), the Disclosure Representative and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the District, any Obligated Person or the Disclosure Representative as thereafter disseminated by the Dissemination Agent. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA compliant format.
- 13. <u>Beneficiaries</u>. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Landowner, the Dissemination Agent, the Trustee, the Participating Underwriter and the Owners of the Bonds (the Dissemination Agent, the Trustee, Participating Underwriter and Owners of the Bonds being hereby deemed express third party beneficiaries of this Disclosure Agreement), and shall create no rights in any other person or entity.
- 14. <u>Tax Roll and Budget</u>. Upon the request of the Dissemination Agent, the Trustee or any Bondholder, the Issuer, through its District Manager, if applicable, agrees to provide such party with a certified copy of its most recent tax roll provided to the Polk County Tax Collector and the Issuer's most recent adopted budget.
- 15. <u>Governing Law</u>. The laws of the State of Florida and Federal law shall govern this Disclosure Agreement and venue shall be any state or federal court having jurisdiction in Polk County, Florida.
- 16. <u>Counterparts</u>. This Disclosure Agreement may be executed in several counterparts and by PDF signature and all of which shall constitute but one and the same instrument.

- 17. <u>Trustee Cooperation</u>. The Issuer represents that the Dissemination Agent is a bona fide agent of the Issuer and the Issuer instructs the Trustee to deliver to the Dissemination Agent at the expense of the Issuer, any information or reports readily available to and in the possession of the Trustee that the Dissemination Agent requests in writing.
- 18. <u>Binding Effect.</u> 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 successor or assignees to such parties who are, by definition, Obligated Persons, shall be bound or benefited by this Disclosure Agreement.

[Signature Page Follows]

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

	HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT, AS ISSUER
[SEAL]	
	By:
	By: Chairperson, Board of Supervisors
ATTEST:	
By:	
Secretary	
	ORCHID TERRACE DEVELOPMENT, LLC, AS LANDOWNER
	D
	By:, Manager
	GOVERNMENTAL MANAGEMENT SERVICES - CENTRAL FLORIDA, LLC, and its successors and assigns, AS DISSEMINATION AGENT
	By: Name: Title:
CONSENTED TO AND AGREED TO	
DISTRICT MANAGER	
GOVERNMENTAL MANAGEMENT SERVICES - CENTRAL FLORIDA, LLC, AS DISTRICT MANAGER	
By: Name:	

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

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

By:		
Name:		
Title:	·	

# **EXHIBIT A**

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

Name o	of Issuer:	Highland Meadows West Community Development District
Name o	of Bond Issue:	\$ original aggregate principal amount of Special Assessment Bonds, Series 2020A (Assessment Area 2 Project)
Obligat	ed Person(s):	Highland Meadows West Community Development District;
Origina	l Date of Issuance:	, 2020
CUSIP	Numbers:	
[Annual named dated _ Agent anticipa filed by	I Report] [Audited F Bonds as required by, 2020, I named therein. The	Y GIVEN that the [Issuer][Obligated Person] has not provided an inancial Statements] [Quarterly Report] with respect to the above-y [Section 3] [Section 5] of the Continuing Disclosure Agreement by and between the Issuer, the Landowner and the Dissemination [Issuer][Obligated Person] has advised the undersigned that it Report] [Audited Financial Statements] [Quarterly Report] will be 20
		, as Dissemination Agent
		By: Name: Title:
	Issuer Trustee	

### CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") dated as of \_\_\_\_\_\_, 2020 is executed and delivered by the Highland Meadows West Community Development District (the "Issuer" or the "District"), Orchid Terrace Group, LLC, a Florida limited liability company (the "Landowner"), and Governmental Management Services - Central Florida, LLC, a Florida limited liability company, as dissemination agent (the "Dissemination Agent") in connection with the Issuer's Special Assessment Bonds, Series 2020A (Assessment Area 3 Project) (the "Bonds"). The Bonds are secured pursuant to a Master Trust Indenture dated as of April 1, 2019 (the "Master Indenture"), as supplemented by a Third Supplemental Trust Indenture dated as of \_\_\_\_\_\_ 1, 2020 (the "Third Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each entered into by and between the Issuer and U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America and having a designated corporate trust office in Orlando, Florida, as trustee (the "Trustee"). The Issuer, the Landowner and the Dissemination Agent covenant and agree as follows:

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

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

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

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

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

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

"Assessment Area" shall mean that portion of the District lands subject to Assessments, being more particularly described as Assessment Area 3 in the Limited Offering Memorandum.

"Assessments" shall mean the non-ad valorem Assessment Area 3 Special Assessments pledged to the payment of the Bonds pursuant to the Indenture.

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

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

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

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

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

"Dissemination Agent" shall mean the Issuer or an entity appointed by the Issuer to act in the capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer pursuant to Section 8 hereof. Governmental Management Services - Central Florida, LLC has been designated as the initial Dissemination Agent hereunder.

"District Manager" shall mean Governmental Management Services - Central Florida, LLC, and its successors and assigns.

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

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

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

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

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

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

"Participating Underwriter" shall mean FMSbonds, Inc.

"Quarterly Filing Date" shall mean for the quarter ending: (i) March 31, each May 1; (ii) June 30, each August 1; (iii) September 30, each November 1; and (iv) December 31, each February 1 of the following year. The first Quarterly Filing Date shall be \_\_\_\_\_\_\_\_1, 2020.

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

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

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

"SEC" means the Securities and Exchange Commission.

"State" shall mean the State of Florida.

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

# 3. **Provision of Annual Reports.**

- Subject to the following sentence, the Issuer shall provide the Annual Report to the Dissemination Agent no later than one hundred eighty (180) days after the close of the Issuer's Fiscal Year (the "Annual Filing Date"), commencing with the Annual Report for the Fiscal Year ending September 30, 2020. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report, and may be submitted in accordance with State law, which currently requires such Audited Financial Statements to be provided up to, but no later than, nine (9) months after the close of the Issuer's Fiscal Year (the "Audited Financial Statements Filing Date"). The Issuer shall file its Audited Financial Statements for the Fiscal Year ended September 30, 2019 on or before June 30, 2020. The Issuer shall, or shall cause the Dissemination Agent to, provide to the Repository the components of an Annual Report which satisfies the requirements of Section 4(a) of this Disclosure Agreement within thirty (30) days after same becomes available, but in no event later than the Annual Filing Date or Audited Financial Statements Filing Date, if applicable. If the Issuer's Fiscal Year changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 6.
- (b) If on the fifteenth (15<sup>th</sup>) day prior to each Annual Filing Date or the Audited Financial Statements Filing Date, as applicable, the Dissemination Agent has not received a copy of the Annual Report or Audited Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be via email) to remind the Issuer of its undertaking to provide the Annual Report or Audited Financial Statements, as applicable, pursuant to Section 3(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report or the Audited Financial Statements, as applicable, in accordance with Section 3(a) above, or (ii) advise the Dissemination Agent in writing that the Issuer will not be able to file the Annual Report or Audited Financial Statements, as applicable, within the times required under this Disclosure Agreement, state the date by which the Annual Report or the Audited Financial Statements for such year, as applicable, will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 6(a)(xvii) has occurred and to immediately send a notice to the Repository in substantially the form attached hereto as Exhibit A.

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

# (d) The Dissemination Agent shall:

- (i) determine each year prior to the Annual Filing Date the name, address and filing requirements of the Repository; and
- (ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Issuer stating that the Annual Report or Audited Financial Statement has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing all Repositories with which it was filed.
- (e) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an EMMA Compliant Format.

# 4. <u>Content of Annual Reports</u>.

- (a) Each Annual Report shall contain the following Annual Financial Information with respect to the Issuer:
- (i) The amount of Assessments levied in the Assessment Area for the most recent prior Fiscal Year.
- (ii) The amount of Assessments collected in the Assessment Area from the property owners during the most recent prior Fiscal Year.
- (iii) If available, the amount of delinquencies in the Assessment Area greater than one hundred fifty (150) days, and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of the Assessments due in any year, a list of delinquent property owners.
- (iv) If available, the amount of tax certificates sold for lands within the Assessment Area, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year.
  - (v) All fund balances in all Funds and Accounts for the Bonds.
  - (vi) The total amount of Bonds Outstanding.
- (vii) The amount of principal and interest to be paid on the Bonds in the current Fiscal Year.

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

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

- (b) The Issuer and each Obligated Person agree to supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The Issuer acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the Issuer, Obligated Persons and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the Issuer, an Obligated Person or others as thereafter disseminated by the Dissemination Agent.
- (c) Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

## 5. Quarterly Reports.

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

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

## 6. Reporting of Significant Events.

- (a) This Section 6 shall govern the giving of notices of the occurrence of any of the following Listed Events:
  - (i) Principal and interest payment delinquencies;
  - (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on the Assessment Area 3 Reserve Account reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;\*
- (v) Substitution of credit or liquidity providers, or their failure to perform;\*
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
  - (vii) Modifications to rights of Bond holders, if material;
  - (viii) Bond calls, if material, and tender offers;
  - (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
  - (xi) Rating changes;\*

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

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<sup>\*</sup> Not applicable to the Bonds at their date of issuance.

- (xiii) Consummation of a merger, consolidation, or acquisition involving the Issuer or any Obligated Person or the sale of all or substantially all of the assets of the Issuer or any Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional Trustee or the change of name of the Trustee, if material;
- (xv) Incurrence of a Financial Obligation of the Issuer or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material;
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or Obligated Person, any of which reflect financial difficulties;
- (xvii) Failure to provide (A) any Annual Report or Audited Financial Statements as required under this Disclosure Agreement that contains, in all material respects, the information required to be included therein under Section 4(a) of this Disclosure Agreement, or (B) any Quarterly Report that contains, in all material respects, the information required to be included therein under Section 5(b) of this Disclosure Agreement, which failure shall, in all cases, be deemed material under federal securities laws; and
- (xviii) Any amendment to the accounting principles to be followed in preparing financial statements as required pursuant to Section 9 hereof.
- (b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the above subsection (a) Listed Events to the Dissemination Agent in writing in sufficient time in order to allow the Dissemination Agent to file notice of the occurrence of such Listed Event in a timely manner not in excess of ten (10) Business Days after its occurrence, with the exception of the Listed Event described in Section 6(a)(xv) and (xvi), which notice will be given in a timely manner. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below. Such notice by the Issuer to the Dissemination Agent shall identify the Listed Event that has occurred, include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is in compliance within the filing dates provided within this Section 6(b)).
- (c) Notwithstanding anything contained in Section 6(b) above, each Obligated Person other than the Issuer shall notify the Issuer and the Dissemination Agent of the occurrence of a Listed Event described in subsections (a)(x), (xii), (xiii), (xv) or (xvi) that has occurred with respect to such Obligated Person in compliance with the notification and filing requirements provided in Section 6(b).

- (d) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall immediately file a notice of such occurrence with each Repository.
- (e) The Landowner hereby represents and warrants that it has not previously entered into any continuing disclosure agreement in connection with a prior offering of securities in order to enable an underwriter of said securities to comply with the provisions of the Rule.
- 7. <u>Termination of Disclosure Agreement</u>. This Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.
- Dissemination Agent. Upon termination of the Dissemination Agent's services as Dissemination Agent, whether by notice of the Issuer or the Dissemination Agent, the Issuer agrees to appoint a successor Dissemination Agent or, alternatively, agrees to assume all responsibilities of Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. If at any time there is not any other designated Dissemination Agent, the District shall be deemed to be the Dissemination Agent. The initial Dissemination Agent shall be Governmental Management Services Central Florida, LLC. The acceptance of such designation is evidenced by the execution of this Disclosure Agreement by a duly authorized signatory of Governmental Management Services Central Florida, LLC. Governmental Management Services Central Florida, LLC. Governmental Management Services Central Florida, LLC, may terminate its role as Dissemination Agent at any time upon delivery of thirty (30) days prior written notice to the District and each Obligated Person.
- 9. <u>Amendment; Waiver</u>. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, acceptable to the Issuer, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

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

- 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.
- 11. <u>Default</u>. In the event of a failure of the Issuer, the Disclosure Representative, any Obligated Person or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the

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

- Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement between the District, the Landowner and such Dissemination Agent. The Dissemination Agent shall have no obligation to notify any other party hereto of an event that may constitute a Listed Event. The District, each Obligated Person and the Disclosure Representative covenant that they will supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The District, the Landowner and the Disclosure Representative acknowledge and agree that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, Obligated Person(s), the Disclosure Representative and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the District, any Obligated Person or the Disclosure Representative as thereafter disseminated by the Dissemination Agent. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA compliant format.
- 13. <u>Beneficiaries</u>. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Landowner, the Dissemination Agent, the Trustee, the Participating Underwriter and the Owners of the Bonds (the Dissemination Agent, the Trustee, Participating Underwriter and Owners of the Bonds being hereby deemed express third party beneficiaries of this Disclosure Agreement), and shall create no rights in any other person or entity.
- 14. <u>Tax Roll and Budget</u>. Upon the request of the Dissemination Agent, the Trustee or any Bondholder, the Issuer, through its District Manager, if applicable, agrees to provide such party with a certified copy of its most recent tax roll provided to the Polk County Tax Collector and the Issuer's most recent adopted budget.
- 15. <u>Governing Law</u>. The laws of the State of Florida and Federal law shall govern this Disclosure Agreement and venue shall be any state or federal court having jurisdiction in Polk County, Florida.
- 16. <u>Counterparts</u>. This Disclosure Agreement may be executed in several counterparts and by PDF signature and all of which shall constitute but one and the same instrument.

- 17. <u>Trustee Cooperation</u>. The Issuer represents that the Dissemination Agent is a bona fide agent of the Issuer and the Issuer instructs the Trustee to deliver to the Dissemination Agent at the expense of the Issuer, any information or reports readily available to and in the possession of the Trustee that the Dissemination Agent requests in writing.
- 18. <u>Binding Effect.</u> 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 successor or assignees to such parties who are, by definition, Obligated Persons, shall be bound or benefited by this Disclosure Agreement.

[Signature Page Follows]

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

	COMMUNITY DEVELOPMENT DISTRICT, AS ISSUER
[SEAL]	
	By:
ATTEST:	Chairperson, Board of Supervisors
By:	
Secretary	
	ORCHID TERRACE GROUP, LLC, AS LANDOWNER
	By:, Manager
	, Manager
	GOVERNMENTAL MANAGEMENT SERVICES - CENTRAL FLORIDA, LLC, and its successors and assigns, AS DISSEMINATION AGENT
	By:
CONSENTED TO AND AGREED TO I	BY:
DISTRICT MANAGER	
GOVERNMENTAL MANAGEMENT SERVICES - CENTRAL FLORIDA, LLC, AS DISTRICT MANAGER	
By:	
Name:Title:	

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

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

By:		
Name:		
Title:		

#### **EXHIBIT A**

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

Name	of Issuer:	Highland Meadows West Community Development District
Name	of Bond Issue:	\$ original aggregate principal amount of Special Assessment Bonds, Series 2020A (Assessment Area 3 Project)
Obliga	ted Person(s):	Highland Meadows West Community Development District;
Origin	al Date of Issuance:	, 2020
CUSIF	Numbers:	
named dated Agent anticip	al Report] [Audited F Bonds as required b , 2020, named therein. The	SY GIVEN that the [Issuer][Obligated Person] has not provided an Financial Statements] [Quarterly Report] with respect to the above-y [Section 3] [Section 5] of the Continuing Disclosure Agreement by and between the Issuer, the Landowner and the Dissemination [Issuer][Obligated Person] has advised the undersigned that it Report] [Audited Financial Statements] [Quarterly Report] will be 20
		, as Dissemination Agent
		By: Name: Title:
cc:	Issuer Trustee	

# SECTION IX

#### **RESOLUTION 2020-06**

A RESOLUTION BY THE BOARD OF SUPERVISORS OF THE HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT RE-DESIGNATING THE PRIMARY ADMINISTRATIVE OFFICE AND PRINCIPAL HEADQUARTERS OF THE DISTRICT AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Highland Meadows West Community Development District (the "District") is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, being situated entirely within Polk County, Florida; and

WHEREAS, the District desires to re-designate its primary administrative office as the location where the District's public records are routinely created, sent, received, maintained, and requested, for the purposes of prominently posting the contact information of the District's Record's Custodian in order to provide citizens with the ability to access the District's records and ensure that the public is informed of the activities of the District in accordance with Chapter 119, *Florida Statutes*; and

WHEREAS, the District additionally desires to specify the location of the District's principal headquarters for the purpose of establishing proper venue under the common law home venue privilege applicable to the District.

# NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT:

**SECTION 1.** The District's primary administrative office for purposes of Chapter 119, *Florida Statutes*, shall be located at Governmental Management Services – Central Florida, LLC, 219 E. Livingston Street, Orlando, Florida 32801.

**SECTION 2.** The District's principal headquarters for purposes of establishing proper venue shall be located at 346 E. Central Avenue, Winter Haven, FL 33880, within Polk County, Florida.

HIGHLAND MEADOWS WEST

**SECTION 3.** This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED this 8th day of January 2020.

ATTEST:

	COMMUNITY DEVELOPMENT DISTRICT
Secretary/Assistant Secretary	Chairperson, Board of Supervisors

# SECTION X

# COST SHARE AGREEMENT BETWEEN HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT AND ORCHID TERRACE DEVELOPMENT, LLC FOR INFRASTRUCTURE IMPROVEMENTS PHASE 2

THIS AGREEMENT ("Agreement") is made and entered into as of this day of, 2020, by and between:
HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government established pursuant to Chapter 190, <i>Florida Statutes</i> , and located in the City of Davenport, Florida whose mailing address is 219 E. Livingston Street, Orlando, Florida 32801, ("District"), and
<b>ORCHID TERRACE DEVELOPMENT, LLC</b> a Florida limited liability company, whose address is 2300 n. Scenic Highway, ML 50, Lake Wales, Florida 33898 (" <b>Developer</b> ", and together with the District, " <b>Parties</b> ").
RECITALS
WHEREAS, the District was established for the purpose of planning, financing, constructing, installing, operating, and/or maintaining certain infrastructure, including certain roadway, water and sewer, drainage, stormwater management, and other improvements; and
WHEREAS, Developer is the owner and/or developer of certain lands in the City of Davenport, Florida, located within and adjacent to the boundaries of the District; and
WHEREAS, the District has entered into an agreement with The Kearney Companies, LLC ("Contractor") dated, 2020, in connection with the construction of various infrastructure improvements referred to Highland Meadows West, Phase 2 & 3 ("Project"); a true and correct copy of the assigned agreement, and all addenda and amendments thereto, between the District and the Contractor ("Contract") are attached hereto as Exhibit A and incorporated herein by this reference. As used herein, the term "Work" shall refer to the entire completed construction or the various separately identifiable Phases thereof required to be furnished under the Contract, including performing services, furnishing labor and furnishing and incorporating materials and equipment into the construction; and
WHEREAS, Developer is currently not a party to the Contract; however, Developer is developing certain lands located within and adjacent to the confines of the Project site; and
WHEREAS, District shall pay for those improvements to be constructed pursuant to the Contract that are included in the Engineer's Report, dated March 13, 2019 as updated by the District's Supplement No. 1 to Engineer's Report dated ("Capital Improvement Plan"), and benefit lands within the District; and

WHEREAS, the Developer has agreed to pay for the cost of the work identified on Exhibit B as such items of Work are not included in the District's Capital Improvement Plan; and

WHEREAS, in anticipation of the commencement of the Project, the Parties desire to memorialize and set forth clearly their understanding and agreement with respect to allocation of costs between the Parties for these improvements as well as certain other matters addressed herein.

**NOW, THEREFORE,** in consideration of the recitals, agreements, and mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties agree as follows:

#### **AGREEMENT**

- 1. INCORPORATION OF RECITALS. The recitals stated above are true and correct and by this reference are incorporated into and form a material part of this Agreement.
- 2. ITEMS OF WORK. Unit prices have been established for the Contractor's items of Work ("Items of Work"), as included in the Contract. Exhibit B identifies a list of those Items of Work that are to be the responsibility of the Developer to fund, which excludes all items noted therein as eligible for District reimbursement with a notation of "CDD Eligible" ("Developer's Items of Work").

#### 3. COST ALLOCATIONS.

- 3.1 Cost Allocation. Developer shall pay all of the costs of Developer's Items of Work. Payment shall be made in accordance with Sections 4 and 5 herein.
- 3.2 Dispute of Engineer's Determination. Should either the District or Developer dispute the Engineer's determination of costs attributable to either party either in accordance with Section 3.1 or Section 5.4, notice of such dispute and the grounds therefor shall be given from one party to the other within five (5) days, excluding Saturdays, Sundays and federal holidays, of receipt of the Engineer's determination of costs. Thereafter, within seventy two (72) hours, excluding Saturdays, Sundays and federal holidays, after notice of such dispute is given, the Engineer shall request the Florida Board of Engineers select a qualified independent third party engineer to review the Work and the engineer's determination of costs. The independent third party engineer may, upon the written consent of both Parties hereto, secure its own estimates of costs. The Parties agree to and shall be bound by the determination of costs attributable to the Parties as determined by the independent third party engineer. In such event, the fees and costs of the independent third party engineer shall be equally divided between the Parties hereto. Nothing contained in this Section 3.2

shall give Developer the right to dispute the cost of Developer's Items of Work to the extent such costs are determined in accordance with the Contract.

To ensure compliance with Section 218.735, *Florida Statutes*, the Parties shall follow the procedures described in Section 4, below, with respect to any costs related to a dispute to be resolved pursuant to this Section 3.2. However, should the independent third party engineer determine that all or a portion of the disputed costs were incorrectly allocated, the party determined by the independent third party engineer to have underpaid its share of the costs shall reimburse the other party the amount underpaid.

4. PAYMENT OF COSTS. Subject to the provisions of Section 5 for any and all invoices related solely to Final Payment, as defined herein, and completion of the Project, the Parties shall pay for the Work in accordance with the following schedule: Within fifteen (15) business days from the receipt of an application for payment the District Manager or its designee shall prepare a requisition and forward the requisition to the Engineer and the Chair of the District's Governing Board for execution and return to the District Manager. Within three (3) days of receipt of the fully executed requisition, the District Manager or its designee shall transmit the fully executed requisition to the District Trustee for payment. Concurrently with the transmission of the requisition to the District Trustee, the District shall send the Developer a written invoice for the portion of the Developer's Items of Work included on the application for payment. Within twenty (20) days of receipt of such invoice, Developer shall remit the requested funds to the District.

#### 5. ACCEPTANCE OF WORK

Acceptance of Work. Before the District makes Final Payment as defined 5.1 below, the District shall provide Developer with a certificate from the Engineer that, to the best of his knowledge, Developer's Items of Work have been performed in substantial compliance with the Contract and appropriate final lien waivers and releases have been obtained from all contractors, sub-contractors, materialmen or suppliers and laborers in connections with the Project. Within fifteen (15) calendar days after receipt of said certificate, Developer shall inspect the Project and provide written notice to the District that Developer's Items of Work, to the best of Developer's knowledge, are or are not in substantial compliance with the Contract. Failure by Developer to provide such written notice within said timeframe shall cause the District Engineer to transmit a written demand to Developer that such notice be provided. Should Developer fail to respond to the District Engineer's written request within five (5) calendar days of receipt of such request, Developer is deemed to have determined that Developer's Items of Work are in substantial compliance with the Contract.

- Substantial Compliance. If Developer's notice is that Developer's Items of Work are in substantial compliance (or if Developer fails to provide notice as provided in subsection 5.1), then Developer shall be deemed to have accepted Developer's Items of Work except as to defects not then readily discoverable. Developer shall then remit its payment to the District within five (5) business days of the notice of substantial compliance. Immediately upon receipt of funds from the Developer, the District shall pay the Contractor. Subsequent to Developer's giving such notice of such substantial compliance and the making of Final Payment by the District, Developer agrees that it shall have no claim against the District with respect to any of Developer's Items of Work performed by the Contractor, the only obligation of the District being to enforce the terms of the Contract.
- 5.3 *Non-Compliance.* In the event Developer's notice is that Developer's Items of Work are not in substantial compliance with the Contract, then within ten (10) days of the District's receipt of such notice (provided such notice reasonably identifies the non-complying Developer's Items of Work), the District shall proceed promptly to enforce the terms of the Contract as it applies to completion and correction of Developer's Items of Work. In the event the District disputes Developer's notice of noncompliance, notice of such dispute shall be provided to Developer by the District within five (5) business days of the District's receipt of Developer's notice of non-compliance. In such event, within five (5) business days, the Engineer shall request the Florida Board of Engineers select a qualified independent third party engineer to review the Developer's Items of Work subject to Developer's notice of noncompliance. The Parties agree to and shall be bound by the determination of substantial compliance or non-compliance as determined by the independent third party engineer. The fees and costs of the independent third party engineer shall be equally divided between the Parties hereto.
- 5.4 Enforcement Costs. To the extent such costs are not reimbursed by the Contractor, Developer shall reimburse the District for any costs (as determined by the Engineer) incurred by the District arising out of the District's efforts to enforce the terms of the Contract as it applies to Developer's Items of Work, provided that the defective Work that is the subject of enforcement is not caused in whole or in part or contributed to by the actions of the District or its Engineer. Any dispute as to costs to be reimbursed by Developer pursuant to this subsection 5.4 shall be resolved in accordance with Section 3.2, above.
- 5.5. Final Payment. "Final Payment" shall be defined as the final payment made to the Contractor by the District after the Contractor has satisfactorily completed all corrections identified in the Final Inspection, as provided in the Contract.

- 6. CONTRACT AND PLANS. The District shall be responsible for ensuring that the improvements to be constructed pursuant to the Contract are constructed in substantial compliance with the plans and specifications set out in the Contract and in a timely manner.
  - 6.1 Defective Work. The District shall not accept defective Work pursuant to the provisions of the Contract with respect to each of the Developer's Items of Work without the written consent of Developer.
  - 6.2 Entitlement to Credits. In the event the Developer gives written consent in accordance with Section 6.1, Developer shall be entitled to receive the benefit of all credits with respect to Developer's Items of Work as determined in accordance with the Contract.
  - 6.3 Record Drawings. Upon request, the District shall furnish Developer, free of charge, one copy of available drawings, plans, specifications, addenda, change orders and other modifications marked currently to record all changes and selections made during construction ("Record Drawings"). The Record Drawings shall be delivered to Developer upon Final Completion of the Work, as provided in the Contract.
- 7. LICENSE. Developer hereby grants the District and the District's agents a temporary license to enter property owned by Developer, if any, to construct, inspect and administer the improvements required under the Contract. The District's license to enter Developer's property, as provided herein, shall expire upon Final Completion of the Work or upon the making of Final Payment to the Contractor, whichever last occurs.
- 8. OBLIGATIONS OF DEVELOPER. It is the intent of the Parties that Developer's participation in the cost of the Project is not as Owner (as such term may be defined in the Contract) or as a party to the Contract and that Developer shall incur no liability or obligation to third parties, including the Contractor, by entering into this Agreement. Developer does hereby contractually obligate itself to provide any and all notices which may be required of the District pursuant to any applicable permits, obtained by Developer for the Project, from a governmental entity, whether local, state or federal. The District does hereby agree to provide written notice to Developer of such notices as the necessity for the notices arises. Notwithstanding the foregoing and to the extent permitted by law and without waiving any of the protections afforded by Section 768.28, Florida Statutes, the District shall indemnify Developer for any costs or liabilities Developer may incur under the Contract.
- 9. **ENGINEER'S DUTIES.** The District shall be responsible to ensure that the Engineer performs the duties placed upon it by the terms of this Agreement.
- 10. RECOVERY OF COSTS AND FEES. In the event either party is required to enforce this Agreement by court proceedings or otherwise, then the predominantly prevailing party shall be entitled to recover from the other party all fees and costs incurred, including reasonable attorneys' fees and costs.

- 11. **DEFAULTS.** Failure by either party to perform each and every one of its obligations hereunder shall be a default, entitling either party to pursue whatever remedies are available to it under Florida law. Each of the Parties hereto shall give the other party written notice of any defaults hereunder and shall allow the defaulting party not less than five (5) days from the date of receipt of such notice to cure monetary defaults and fifteen (15) days to cure other defaults.
- 12. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the Parties and supersedes all previous discussions, understandings and agreements between the Parties relating to the cost sharing for construction of the Project. Terms used in this Agreement that are specifically defined in the Contract shall have the meanings designated in the Contract, unless otherwise indicated in this Agreement.
- 13. AMENDMENTS. Amendments to and waivers of the provisions contained in this Agreement, other than those necessary to reflect a modification to the Contract pursuant to a Change Order, as defined in the Contract, issued in accordance with the Contract, may be made only by an instrument in writing executed by both of the Parties hereto. Any modification to the Contract resulting from a Change Order shall serve to amend this Agreement accordingly. Any Change Orders that result in the modification of this Agreement shall be attached to Exhibit A for recordkeeping purposes.
- 14. AUTHORITY TO CONTRACT. The execution of this Agreement has been duly authorized by the appropriate body or official of all Parties hereto, each party has complied with all the requirements of law, and each party has full power and authority to comply with the terms and provisions of this Agreement.
- 15. NOTICES. All notices, requests, consents and other communications hereunder ("Notices") shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or telecopied to the Parties, as follows:

A. If to District: Highland meadows West

Community Development District

219 E. Livingston Street Orlando, Florida 32801 Attn: District Manager

With a copy to: Hopping Green & Sams, P.A.

119 South Monroe Street, Suite 300

Tallahassee, Florida 32301 Attn: District Counsel

B. If to Developer: Orchid Terrace Development, LLC

2300 N. Scenic Highway, ML 50

Lake Wales, Florida 33898 Attn: John D. Alexander

#### With a copy to:

Except as otherwise provided in this Agreement, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the District and counsel for the Developer may deliver Notice on behalf of the District and the Developer. Any party or other person to whom Notices are to be sent or copied may notify the other Parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the Parties and addressees set forth herein.

- 17. THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the formal Parties hereto and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any third party not a formal party hereto. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon or give the Contractor or any person or corporation other than the Parties hereto any right, remedy or claim under or by reason of this Agreement or any provisions or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of and shall be binding upon the Parties hereto and their respective representatives, successors and assigns.
- **18. EFFECTIVE DATE.** This Agreement shall be effective as of the date first set forth above.
- 19. APPLICABLE LAW AND VENUE. This Agreement shall be construed, interpreted and controlled by the laws of the State of Florida. Subject to the provisions of Section 3.2, above, venue for any dispute arising under this Agreement shall be in a court of appropriate jurisdiction in Polk County, Florida.
- 20. PUBLIC RECORDS. Developer understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be considered public records in accordance with Florida law.
- 21. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.
- **22. SOVEREIGN IMMUNITY.** Developer agrees that nothing in this Agreement shall constitute or be construed as a waiver of the District's limitations on liability contained in Section 768.28, *Florida Statutes*, or other statutes or law.

- 23. HEADINGS FOR CONVENIENCE ONLY. The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.
- 25. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument.

IN WITNESS WHEREOF, the parties execute this Agreement the day and year first written above.

Attest:	HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT
Secretary/Assistant Secretary	By: Its: Chairperson, Board of Supervisors
	Orchid Terrace Development, LLC, a Florida limited liability company
	BY: Atlantic Property Company, LLC Its: Manager
Witness	By: John D. Alexander Its:
Exhibit A: Contract dated Exhibit B: Developer's Items of Wo	

#### **EXHIBIT A: CONTRACT**

#### Exhibit B



### ORCHID TERRACE PHASE 2 - (130 Lots) (FKA HIGHLAND MEADOWS WEST) Section II.K. - SUMMARY OF COST AND SCHEDULE

	Description GENERAL CONDITIONS	Bid Qty.	UM	Unit Cost		Total Cost
1.	NPDES COMPLIANCE	1	LS	\$ 10,580.75	\$	10,580.75
2.	MOBILIZATION	1	LS	\$ 60,865.46	\$	60,865.46
3.	PAYMENT & PERFORMANCE BOND	1	LS	\$ 20,354.96	\$	20,354.96
4.	MAINTENANCE OF TRAFFIC	î	LS	\$ 894.00	\$	894.00
5.	CONSTRUCTION ENTRANCE	1	EA	\$ 3,086.00	\$	3,086.00
6.	SILT FENCE	4,375	LF	\$ 2.97	\$	12,993.75
7.	5' WIDTH / 4" CONCRETE SIDEWALK	166	LF	\$ 16.65	\$	2,763.90
8.	ADA CURB RAMP	12	EA	\$ 995.93	\$	11,951.16
9.	WELL ABANDONMENT	1	EA	\$ 2,610.48	\$	2,610.48
10.	CONSTRUCTION LAYOUT	1	LS	\$ 59,955.00	\$	59,955.00
11.	CONSTRUCTION AS-BUILTS AND RECORD DRAWINGS	1	LS	\$ 19,985.00	\$	19,985.00
12.	GEOTECH (CMT)	1	LS	\$ 37,686.00	\$	37,686.00
	SUBTOTAL				<u>\$</u>	243,726.46
	EARTHWORK					
1.	CLEAR & GRUB			"BY C	THE	ERS"
2.	DISC SITE			"BY C	THE	ERS''
3.	EXCAVATION & GRADING	1	LS	\$ 67,425.84	\$	67,425.84
4.	EXPORT / FILL	11,533	CY	\$ 0.23	\$	2,652.59
5.	EMERGENCY OUTFALL STRUCTURES (EOFS)	0	EA	\$ -	\$	•
6.	SOD (BAHIA - 2' B.O.C.)	2,525	SY	\$ 3.06	\$	7,726.50
7.	SOD (BAHIA - POND SLOPES & SWALES)	12,421	SY	\$ 3.06	\$	38,008.26
8.	SOD (MISC)	222	SY	\$ 3.06	\$	679.32
9.	SEED & MULCH (POND BOTTOMS)	3,905	SY	\$ 0.21	\$	820.05
10.	SEED & MULCH (ROW)	7,073	SY	\$ 0.21	\$	1,485.33
11.	SEED & MULCH (LOTS)	96,028	SY	\$ 0.21	\$	20,165.88
12a.	FINAL GRADING - LOTS	1	LS	\$ 18,834.40	\$	18,834.40
12b.	FINAL GRADING - COMMON AREAS	1	LS	\$ 8,956.12	\$	8,956.12
	SUBTOTAL				\$	166,754.29
	PAVING					
1.	SAW CUT & MATCH EXISTING PAVEMENT	1	LS	\$ 1,070.70	\$	1,070.70
2.	1.5" TYPE S-1 ASPHALT	12,197	SY	\$ 7.88	\$	96,112.36
3.	6" CRUSHED CONCRETE (LBR 125)	0	SY	\$ -	\$	-
4.	6" LIMEROCK BASE (LBR 100)	12,197	SY	\$ 8.99	\$	109,651.03
5.	10" STABILIZED SUBGRADE (FBV 75)	15,128	SY	\$ 1.01	\$	15,279.28
6.	TYPE F CURB	0	LF	\$ -	\$	-
7.	TYPE D CURB	212	LF	\$ 16.65	\$	3,529.80
8.	MIAMI CURB	8,614	LF	\$ 10.17	\$	87,604.38
9.	SIGNAGE AND STRIPING	1	LS	\$ 17,820.40	\$	17,820.40
	SUBTOTAL				\$	331,067.95



### ORCHID TERRACE PHASE 2 - (130 Lots) (FKA HIGHLAND MEADOWS WEST) Section II.K. - SUMMARY OF COST AND SCHEDULE

	Description	Bid Qty.	UM	Unit Cost	Total Cost
	STORM SEWER				
1.	18" ADS HP STORM	1,950	LF	\$ 42.95	\$ 83,752.50
2.	24" ADS HP STORM	383	LF	\$ 54.10	\$ 20,720.30
3.	30" ADS HP STORM	0	LF	\$ 	\$ -
4.	18" HDPE STORM	0	LF	\$ -	\$ 
5.	24" HDPE STORM	0	LF	\$ _	\$ -
6.	30" HDPE STORM	0	LF	\$ 	\$ 
7.	TYPE P-5 CURB INLET	7	EA	\$ 2,678.76	\$ 18,751.32
8.	TYPE P-6 CURB INLET	8	EA	\$ 3,332.59	\$ 26,660.72
9.	TYPE V CURB INLET	0	EA	\$ -	\$ =
10.	TYPE P STORM MANHOLE	4	EA	\$ 1,706.38	\$ 6,825.52
11.	TYPE C INLET	3	EA	\$ 1,426.10	\$ 4,278.30
12.	TYPE D INLET	0	EA	\$ -	\$ -
13.	CONTROL STRUCTURE	0	EA	\$ 	\$ -
14.	18" HDPE MES	1	EA	\$ 1,100.54	\$ 1,100.54
15.	24" HDPE MES	2	EA	\$ 1,321.18	\$ 2,642.36
16.	36" HDPE MES	0	EA	\$ •	\$ 
17.	MITER END (5' X 10' CONCRETE RUBBLE)	0	EA	\$ -	\$ -
	SUBTOTAL				\$ 164,731.56
	SANITARY SEWER				
1.	8" PVC SDR-26	4,636	LF	\$ 24.59	\$ 113,999.24
2.	PAVEMENT OPEN CUT AND REPAIR	0	LF	\$ -	\$ 
3.	SANITARY MANHOLE (0-6')	8	EA	\$ 2,916.02	\$ 23,328.16
4.	SANITARY MANHOLE (6-8')	5	EA	\$ 3,388.67	\$ 16,943.35
5.	SANITARY MANHOLE (8-10')	2	EA	\$ 3,922.44	\$ 7,844.88
6.	SANITARY MANHOLE (10-12')	1	EA	\$ 4,562.07	\$ 4,562.07
7.	SANITARY MANHOLE (12-14')	0	EA	\$ 	\$ -
8.	SANITARY MANHOLE (14-16')	1	EA	\$ 5,510.55	\$ 5,510.55
9.	SINGLE SERVICE CONNECTION	12	EA	\$ 609.74	\$ 7,316.88
10.	DOUBLE SERVICE CONNECTION	59	EA	\$ 770.73	\$ 45,473.07
11.	TV & AIR TESTING - GRAVITY	1	LS	\$ 16,133.28	\$ 16,133.28
ADD	CONNECT TO EXISTING MANHOLE	1	EA	\$ 2,306.01	\$ 2,306.01
	SUBTOTAL				\$ 243,417.49



### ORCHID TERRACE PHASE 2 - (130 Lots) (FKA HIGHLAND MEADOWS WEST) Section II.K. - SUMMARY OF COST AND SCHEDULE

	Description	Bid Qty.	UM		Unit Cost		Total Cost
	WATER AND FIRE DISTRIBUTION						
1.	CONNECT TO EXISTING MAINS	1	EA	\$	10,285.47	\$	10,285.47
2.	8" WET TAP & VALVE	1	EA	\$	1,033.57	\$	1,033.57
ADD	• •	361	LF	\$	10.43	\$	3,765.23
3.	6" PVC WATER MAIN (DR-18)	0	LF	\$	-	\$	-
4.	8" PVC WATER MAIN (DR-18)	4,138	LF	\$	17.18	\$	71,090.84
	4" GATE VALVE ASSEMBLY	3	EA	\$	808.69	\$	2,426.07
5.	8" GATE VALVE ASSEMBLY	9	EA	\$	1,389.44	\$	12,504.96
6.	8" MJ BEND	13	EA	\$	266.82	\$	3,468.66
	8" MJ CROSS	1	EA	\$	489.47	\$	489.47
7.	8" MJ TEE	0	EA	\$	415.06	\$	**
ADD	8" X 4" MJ REDUCER	3	EA	\$	222.61	\$	667.83
8.	8" X 6" MJ REDUCER	0	EA	\$	201.68	\$	
9.	8" X 8" X 8" TEE	4	EA	\$	415.06	\$	1,660.24
10.	6" MJ BEND	0	EA	\$	:=:	\$	-
11.	FIRE HYDRANT ASSEMBLY	4	EA	\$	4,651.78	\$	18,607.12
12.	SINGLE SERVICE - SHORT	10	EA	\$	739.59	\$	7,395.90
13.	SINGLE SERVICE - LONG	7	EA	\$	753.53	\$	5,274.71
14.	DOUBLE SERVICE - SHORT	32	EA	\$	1,254.54	\$	40,145.28
15.	DOUBLE SERVICE - LONG	25	EA	\$	1,268.50	\$	31,712.50
16.	4" BLOW OFF	3	EA	\$	6,301.85	\$	18,905.55
17.	I" IRRIGATION / LIFT STATION SERVICE	2	EA	\$	746.56	\$	1,493.12
18.	SAMPLE POINTS	3	EA	\$	200.02	\$	600.06
19.	POLY-PIG WATER MAINS	1	LS	\$	15,881.47	\$	15,881.47
20.	TESTING AND BACTERIOLOGICAL	1	LS	\$	3,165.37	\$	3,165.37
	SUBTOTAL					\$	250,573.42
	OFFSITE - ORCHID ENTRANCE DRIVE						
1.	1.0" TYPE SP-9.5 TLC ASPHALT	264	SY	\$	17.87	\$	4,717.68
2.	1.5" TYPE SP-12.5 TLC ASPHALT	264	SY	\$	19.69	\$	5,198.16
3.	8" CRUSHED CONCRETE BASE (LBR 125)	0	SY	\$	-	\$	-
4.	8" LIMEROCK BASE (LBR 100)	264	SY	\$	13.69	\$	3,614.16
5.	10" STABILIZED SUBGRADE TYPE B (FBV 75)	321	SY	\$	4.05	\$	1,300.05
6.	8" STABILIZATION (FBV 75)	0	SY	\$	_	\$	
7.	5' WIDTH / 4" CONCRETE SIDEWALK	2,198	LF	\$	16.65	\$	36,596.70
8.	TYPE F CURB	0	LF	\$	**	\$	
	ADA CURB RAMPS	3	EA	\$	1,025.73	\$	3,077.19
	BAHIA SOD	0	SY	\$	-	\$	-
	SEED AND MULCH	2,930	SY	\$	0.37	\$	1,084.10
	SIGNAGE AND STRIPING	1	LS	\$	3,337.60	\$	3,337.60
	EARTHWORK	1	LS	\$	3,807.70	\$	3,807.70
	MAINTENANCE OF TRAFFIC (MOT)	1	LS	\$	5,781.20	\$	5,781.20
	MOBILIZATION	1	LS	\$	3,948.51	\$	3,948.51
10.	mobile it ion		LO	Ψ	3,770.31	Ψ	5,240.31



### ORCHID TERRACE PHASE 2 - (130 Lots) (FKA HIGHLAND MEADOWS WEST) Section II.K. - SUMMARY OF COST AND SCHEDULE

Description	Bid Qty.	UM	Unit Cost		Total Cost
SUBTOTAL				\$	72,463.05
				e.	1 452 524 22
GRAND TOTAL				<u>\$</u>	1,472,734.22
DED LOT	100			\$	11,328.72
PER LOT	130	LOTS		3	11,320.72

#### **BID NOTES:**

- 1) DO NOT INCLUDE COST OF PERIMETER WALLS OR FENCES, EXCEPT LIFT STATION FENCING & GATES
- 2) DO NOT INCLUDE COST OF LANDSCAPE OR IRRIGATION

# SECTION XI

# COST SHARE AGREEMENT BETWEEN HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT AND ORCHID TERRACE GROUP, LLC FOR INFRASTRUCTURE IMPROVEMENTS PHASE 3

THIS AGREEMENT ("Agreement") is made and entered into as of this day of, 2020, by and between:
HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government established pursuant to Chapter 190, <i>Florida Statutes</i> , and located in the City of Davenport, Florida whose mailing address is 219 E. Livingston Street, Orlando, Florida 32801, ("District"), and
<b>ORCHID TERRACE GROUP, LLC</b> a Florida limited liability company, whose address is 346 E. Central Avenue, Winter Haven, Florida 33880 (" <b>Developer</b> ", and together with the District, " <b>Parties</b> ").
RECITALS
WHEREAS, the District was established for the purpose of planning, financing, constructing, installing, operating, and/or maintaining certain infrastructure, including certain roadway, water and sewer, drainage, stormwater management, and other improvements; and
WHEREAS, Developer is the owner and/or developer of certain lands in the City of Davenport, Florida, located within and adjacent to the boundaries of the District; and
WHEREAS, the District has entered into an agreement with The Kearney Companies, LLC ("Contractor") dated, 2020, in connection with the construction of various infrastructure improvements referred to Highland Meadows West, Phase 2 & 3 ("Project"); a true and correct copy of the assigned agreement, and all addenda and amendments thereto, between the District and the Contractor ("Contract") are attached hereto as Exhibit A and incorporated herein by this reference. As used herein, the term "Work" shall refer to the entire completed construction or the various separately identifiable Phases thereof required to be furnished under the Contract, including performing services, furnishing labor and furnishing and incorporating materials and equipment into the construction; and
WHEREAS, Developer is currently not a party to the Contract; however, Developer is developing certain lands located within and adjacent to the confines of the Project site; and
WHEREAS, District shall pay for those improvements to be constructed pursuant to the Contract that are included in the Engineer's Report, dated March 13, 2019 as updated by the District's Supplement No. 1 to Engineer's Report dated ("Capital Improvement Plan"), and benefit lands within the District; and

WHEREAS, the Developer has agreed to pay for the cost of the work identified on Exhibit B as such items of Work are not included in the District's Capital Improvement Plan; and

WHEREAS, in anticipation of the commencement of the Project, the Parties desire to memorialize and set forth clearly their understanding and agreement with respect to allocation of costs between the Parties for these improvements as well as certain other matters addressed herein.

**NOW, THEREFORE,** in consideration of the recitals, agreements, and mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties agree as follows:

#### **AGREEMENT**

- 1. INCORPORATION OF RECITALS. The recitals stated above are true and correct and by this reference are incorporated into and form a material part of this Agreement.
- 2. ITEMS OF WORK. Unit prices have been established for the Contractor's items of Work ("Items of Work"), as included in the Contract. Exhibit B identifies a list of those Items of Work that are to be the responsibility of the Developer to fund, which excludes all items noted therein as eligible for District reimbursement with a notation of "CDD Eligible" ("Developer's Items of Work").

#### 3. COST ALLOCATIONS.

- 3.1 Cost Allocation. Developer shall pay all of the costs of Developer's Items of Work. Payment shall be made in accordance with Sections 4 and 5 herein.
- 3.2 Dispute of Engineer's Determination. Should either the District or Developer dispute the Engineer's determination of costs attributable to either party either in accordance with Section 3.1 or Section 5.4, notice of such dispute and the grounds therefor shall be given from one party to the other within five (5) days, excluding Saturdays, Sundays and federal holidays, of receipt of the Engineer's determination of costs. Thereafter, within seventy two (72) hours, excluding Saturdays, Sundays and federal holidays, after notice of such dispute is given, the Engineer shall request the Florida Board of Engineers select a qualified independent third party engineer to review the Work and the engineer's determination of costs. The independent third party engineer may, upon the written consent of both Parties hereto, secure its own estimates of costs. The Parties agree to and shall be bound by the determination of costs attributable to the Parties as determined by the independent third party engineer. In such event, the fees and costs of the independent third party engineer shall be equally divided between the Parties hereto. Nothing contained in this Section 3.2

shall give Developer the right to dispute the cost of Developer's Items of Work to the extent such costs are determined in accordance with the Contract.

To ensure compliance with Section 218.735, *Florida Statutes*, the Parties shall follow the procedures described in Section 4, below, with respect to any costs related to a dispute to be resolved pursuant to this Section 3.2. However, should the independent third party engineer determine that all or a portion of the disputed costs were incorrectly allocated, the party determined by the independent third party engineer to have underpaid its share of the costs shall reimburse the other party the amount underpaid.

4. PAYMENT OF COSTS. Subject to the provisions of Section 5 for any and all invoices related solely to Final Payment, as defined herein, and completion of the Project, the Parties shall pay for the Work in accordance with the following schedule: Within fifteen (15) business days from the receipt of an application for payment the District Manager or its designee shall prepare a requisition and forward the requisition to the Engineer and the Chair of the District's Governing Board for execution and return to the District Manager. Within three (3) days of receipt of the fully executed requisition, the District Manager or its designee shall transmit the fully executed requisition to the District Trustee for payment. Concurrently with the transmission of the requisition to the District Trustee, the District shall send the Developer a written invoice for the portion of the Developer's Items of Work included on the application for payment. Within twenty (20) days of receipt of such invoice, Developer shall remit the requested funds to the District.

#### 5. ACCEPTANCE OF WORK

5.1 Acceptance of Work. Before the District makes Final Payment as defined below, the District shall provide Developer with a certificate from the Engineer that, to the best of his knowledge, Developer's Items of Work have been performed in substantial compliance with the Contract and appropriate final lien waivers and releases have been obtained from all contractors, sub-contractors, materialmen or suppliers and laborers in connections with the Project. Within fifteen (15) calendar days after receipt of said certificate, Developer shall inspect the Project and provide written notice to the District that Developer's Items of Work, to the best of Developer's knowledge, are or are not in substantial compliance with the Contract. Failure by Developer to provide such written notice within said timeframe shall cause the District Engineer to transmit a written demand to Developer that such notice be provided. Should Developer fail to respond to the District Engineer's written request within five (5) calendar days of receipt of such request, Developer is deemed to have determined that Developer's Items of Work are in substantial compliance with the Contract.

- Substantial Compliance. If Developer's notice is that Developer's Items of Work are in substantial compliance (or if Developer fails to provide notice as provided in subsection 5.1), then Developer shall be deemed to have accepted Developer's Items of Work except as to defects not then readily discoverable. Developer shall then remit its payment to the District within five (5) business days of the notice of substantial compliance. Immediately upon receipt of funds from the Developer, the District shall pay the Contractor. Subsequent to Developer's giving such notice of such substantial compliance and the making of Final Payment by the District, Developer agrees that it shall have no claim against the District with respect to any of Developer's Items of Work performed by the Contractor, the only obligation of the District being to enforce the terms of the Contract.
- 5.3 Non-Compliance. In the event Developer's notice is that Developer's Items of Work are not in substantial compliance with the Contract, then within ten (10) days of the District's receipt of such notice (provided such notice reasonably identifies the non-complying Developer's Items of Work), the District shall proceed promptly to enforce the terms of the Contract as it applies to completion and correction of Developer's Items of Work. In the event the District disputes Developer's notice of noncompliance, notice of such dispute shall be provided to Developer by the District within five (5) business days of the District's receipt of Developer's notice of non-compliance. In such event, within five (5) business days, the Engineer shall request the Florida Board of Engineers select a qualified independent third party engineer to review the Developer's Items of Work subject to Developer's notice of noncompliance. The Parties agree to and shall be bound by the determination of substantial compliance or non-compliance as determined by the independent third party engineer. The fees and costs of the independent third party engineer shall be equally divided between the Parties hereto.
- 5.4 Enforcement Costs. To the extent such costs are not reimbursed by the Contractor, Developer shall reimburse the District for any costs (as determined by the Engineer) incurred by the District arising out of the District's efforts to enforce the terms of the Contract as it applies to Developer's Items of Work, provided that the defective Work that is the subject of enforcement is not caused in whole or in part or contributed to by the actions of the District or its Engineer. Any dispute as to costs to be reimbursed by Developer pursuant to this subsection 5.4 shall be resolved in accordance with Section 3.2, above.
- 5.5. Final Payment. "Final Payment" shall be defined as the final payment made to the Contractor by the District after the Contractor has satisfactorily completed all corrections identified in the Final Inspection, as provided in the Contract.

- 6. CONTRACT AND PLANS. The District shall be responsible for ensuring that the improvements to be constructed pursuant to the Contract are constructed in substantial compliance with the plans and specifications set out in the Contract and in a timely manner.
  - 6.1 Defective Work. The District shall not accept defective Work pursuant to the provisions of the Contract with respect to each of the Developer's Items of Work without the written consent of Developer.
  - 6.2 Entitlement to Credits. In the event the Developer gives written consent in accordance with Section 6.1, Developer shall be entitled to receive the benefit of all credits with respect to Developer's Items of Work as determined in accordance with the Contract.
  - 6.3 Record Drawings. Upon request, the District shall furnish Developer, free of charge, one copy of available drawings, plans, specifications, addenda, change orders and other modifications marked currently to record all changes and selections made during construction ("Record Drawings"). The Record Drawings shall be delivered to Developer upon Final Completion of the Work, as provided in the Contract.
- 7. LICENSE. Developer hereby grants the District and the District's agents a temporary license to enter property owned by Developer, if any, to construct, inspect and administer the improvements required under the Contract. The District's license to enter Developer's property, as provided herein, shall expire upon Final Completion of the Work or upon the making of Final Payment to the Contractor, whichever last occurs.
- 8. OBLIGATIONS OF DEVELOPER. It is the intent of the Parties that Developer's participation in the cost of the Project is not as Owner (as such term may be defined in the Contract) or as a party to the Contract and that Developer shall incur no liability or obligation to third parties, including the Contractor, by entering into this Agreement. Developer does hereby contractually obligate itself to provide any and all notices which may be required of the District pursuant to any applicable permits, obtained by Developer for the Project, from a governmental entity, whether local, state or federal. The District does hereby agree to provide written notice to Developer of such notices as the necessity for the notices arises. Notwithstanding the foregoing and to the extent permitted by law and without waiving any of the protections afforded by Section 768.28, Florida Statutes, the District shall indemnify Developer for any costs or liabilities Developer may incur under the Contract.
- 9. ENGINEER'S DUTIES. The District shall be responsible to ensure that the Engineer performs the duties placed upon it by the terms of this Agreement.
- 10. RECOVERY OF COSTS AND FEES. In the event either party is required to enforce this Agreement by court proceedings or otherwise, then the predominantly prevailing party shall be entitled to recover from the other party all fees and costs incurred, including reasonable attorneys' fees and costs.

- 11. **DEFAULTS.** Failure by either party to perform each and every one of its obligations hereunder shall be a default, entitling either party to pursue whatever remedies are available to it under Florida law. Each of the Parties hereto shall give the other party written notice of any defaults hereunder and shall allow the defaulting party not less than five (5) days from the date of receipt of such notice to cure monetary defaults and fifteen (15) days to cure other defaults.
- 12. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the Parties and supersedes all previous discussions, understandings and agreements between the Parties relating to the cost sharing for construction of the Project. Terms used in this Agreement that are specifically defined in the Contract shall have the meanings designated in the Contract, unless otherwise indicated in this Agreement.
- 13. AMENDMENTS. Amendments to and waivers of the provisions contained in this Agreement, other than those necessary to reflect a modification to the Contract pursuant to a Change Order, as defined in the Contract, issued in accordance with the Contract, may be made only by an instrument in writing executed by both of the Parties hereto. Any modification to the Contract resulting from a Change Order shall serve to amend this Agreement accordingly. Any Change Orders that result in the modification of this Agreement shall be attached to Exhibit A for recordkeeping purposes.
- 14. AUTHORITY TO CONTRACT. The execution of this Agreement has been duly authorized by the appropriate body or official of all Parties hereto, each party has complied with all the requirements of law, and each party has full power and authority to comply with the terms and provisions of this Agreement.
- 15. NOTICES. All notices, requests, consents and other communications hereunder ("Notices") shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or telecopied to the Parties, as follows:

A. If to District: Highland meadows West

Community Development District

219 E. Livingston Street Orlando, Florida 32801 Attn: District Manager

With a copy to: Hopping Green & Sams, P.A.

119 South Monroe Street, Suite 300

Tallahassee, Florida 32301 Attn: District Counsel

B. If to Developer: Orchid Terrace Group, LLC

346 E. Central Avenue

Winter Haven, Florida 33880

Attn: Albert Cassidy

#### With a copy to:

Except as otherwise provided in this Agreement, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the District and counsel for the Developer may deliver Notice on behalf of the District and the Developer. Any party or other person to whom Notices are to be sent or copied may notify the other Parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the Parties and addressees set forth herein.

- 17. THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the formal Parties hereto and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any third party not a formal party hereto. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon or give the Contractor or any person or corporation other than the Parties hereto any right, remedy or claim under or by reason of this Agreement or any provisions or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of and shall be binding upon the Parties hereto and their respective representatives, successors and assigns.
- **18. EFFECTIVE DATE.** This Agreement shall be effective as of the date first set forth above.
- 19. APPLICABLE LAW AND VENUE. This Agreement shall be construed, interpreted and controlled by the laws of the State of Florida. Subject to the provisions of Section 3.2, above, venue for any dispute arising under this Agreement shall be in a court of appropriate jurisdiction in Polk County, Florida.
- **20. PUBLIC RECORDS.** Developer understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be considered public records in accordance with Florida law.
- 21. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.
- **22. SOVEREIGN IMMUNITY.** Developer agrees that nothing in this Agreement shall constitute or be construed as a waiver of the District's limitations on liability contained in Section 768.28, *Florida Statutes*, or other statutes or law.

- 23. HEADINGS FOR CONVENIENCE ONLY. The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.
- 25. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument.

IN WITNESS WHEREOF, the parties execute this Agreement the day and year first written above.

Attest:	HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT
Secretary/Assistant Secretary	By: Its: Chairperson, Board of Supervisors
Witness	By: Albert S. Cassidy Its: Manager
Exhibit A: Contract dated Exhibit B: Developer's Items of Work	<del></del>

#### **EXHIBIT A: CONTRACT**

#### **Exhibit B**



### ORCHID TERRACE PHASE 3 - (46 Lots) (FKA HIGHLAND MEADOWS WEST) Section II.K. - SUMMARY OF COST AND SCHEDULE

	Description GENERAL CONDITIONS	Bid Qty.	UM		Unit Cost		Total Cost
1.	NPDES COMPLIANCE	1	LS	\$	6,425.19	\$	6,425.19
2.	MOBILIZATION	1	LS	\$	14,028.33	\$	14,028.33
3.	PAYMENT & PERFORMANCE BOND	1	LS	\$	9,610.31	\$	9,610.31
4.	MAINTENANCE OF TRAFFIC	1	LS	\$	894.00	\$	894.00
5.	CONSTRUCTION ENTRANCE	1	EA	\$	3,086.00	\$	3,086.00
6.	SILT FENCE	2,603	LF	\$	2.97	\$	7,730.91
7.	5' WIDTH / 4" CONCRETE SIDEWALK	2,003	LF	\$	16.65	\$	3,829.50
8.	ADA CURB RAMP	4	EA	\$	995.93	\$	3,983.72
9.	CONSTRUCTION LAYOUT	1	LS	\$	19,699.50	\$	19,699.50
10.	CONSTRUCTION AS-BUILTS AND RECORD DRAWINGS	1	LS	\$	6,566.50	\$	6,566.50
11.	GEOTECH (CMT)	1	LS	\$	16,673.20	\$	16,673.20
	MODULAR BLOCK RETAINING WALL	409	SF	\$	44.02	\$	18,004.18
	SUBTOTAL	105	51	<u>-</u>		\$	110,531.34
						-	, , , , , , , , , , , , , , , , , , , ,
	EARTHWORK						
1.	CLEAR & GRUB				"BY C	HTC	ERS"
2.	DISC SITE				"BY (	HTC	ERS"
3.	EXCAVATION & GRADING	1	LS	\$	15,803.97	\$	15,803.97
4.	EXPORT / FILL-	5,237	CY	\$	0.23	\$	1,204.51
5.	EMERGENCY OUTFALL STRUCTURES (EOFS)	0	EA	\$	-	\$	*
6.	SOD (BAHIA - 2' B.O.C.)	1,011	SY	\$	3.06	\$	3,093.66
7.	SOD (BAHIA - POND SLOPES & SWALES)	3,169	SY	\$	3.06	\$	9,697.14
8.	SOD (MISC)	71	SY	\$	3.06	\$	217.26
9.	SEED & MULCH (POND BOTTOMS)	731	SY	\$	0.21	\$	153.51
10.	SEED & MULCH (ROW)	2,929	SY	\$	0.21	\$	615.09
11.	SEED & MULCH (LOTS)	34,329	SY	\$	0.21	\$	7,209.09
12a.	FINAL GRADING - LOTS	1	LS	\$	6,664.48	\$	6,664.48
12b.	FINAL GRADING - COMMON AREAS	1	LS	\$	4,306.25	\$	4,306.25
	SUBTOTAL					\$	48,964.96
	PAVING						
1.	SAW CUT & MATCH EXISTING PAVEMENT	1	LS	\$	1,559.48	\$	1,559.48
2.	1.5" TYPE S-1 ASPHALT	5,100	SY	\$	8.05	\$	41,055.00
3.	6" CRUSHED CONCRETE (LBR 125)		SY	\$	-	\$	
4.	6" LIMEROCK BASE (LBR 100)	5,100	SY	\$	8.99	\$	45,849.00
5.	10" STABILIZED SUBGRADE (FBV 75)	6,310	SY	\$	1.01	\$	6,373.10
6.	TYPE F CURB	0	LF	\$	849	\$	-
7.	TYPE D CURB	0	LF	\$	-	\$	-
8.	MIAMI CURB	3,629	LF	\$	10.09	\$	36,616.61
9.	SIGNAGE AND STRIPING	1	LS	\$	5,220.96	\$	5,220.96
	SUBTOTAL					\$	136,674.15



### ORCHID TERRACE PHASE 3 - (46 Lots) (FKA HIGHLAND MEADOWS WEST) Section II.K. - SUMMARY OF COST AND SCHEDULE

	Description	Bid Qty.	UM	Unit Cost	Total Cost	
	STORM SEWER					
1.	18" ADS HP STORM	637	LF	\$ 42.95	\$ 27,359.15	
2.	24" ADS HP STORM	470	LF	\$ 54.10	\$ 25,427.00	
3.	24" HDPE STORM	0	LF	\$ -	\$ -	
4.	TYPE V CURB INLET	10	EA	\$ 2,851.20	\$ 28,512.00	
5.	TYPE P STORM MANHOLE	1	EA	\$ 1,654.56	\$ 1,654.56	
6.	TYPE C INLET	2	EA	\$ 1,683.79	\$ 3,367.58	
7.	CONTROL STRUCTURE	0	EA	\$ -	\$ -	
8.	18" HDPE MES	1	EA	\$ 1,100.54	\$ 1,100.54	
9.	24" HDPE MES	0	EA	\$ -	\$ -	
10.	MITER END (10' X 10' CONCRETE RUBBLE)	1	EA	\$ 1,406.40	\$ 1,406.40	
	SUBTOTAL				\$ 88,827.23	
	SANITARY SEWER					
1.	8" PVC SDR-26	1,720	LF	\$ 23.95	\$ 41,194.00	
2.	PAVEMENT OPEN CUT AND REPAIR	28	LF	\$ 181.33	\$ 5,077.24	
3.	SANITARY MANHOLE (0-6')	4	EA	\$ 2,926.65	\$ 11,706.60	
4.	SANITARY MANHOLE (6-8')	2	EA	\$ 3,372.71	\$ 6,745.42	
5.	SANITARY MANHOLE (8-10')	1	EA	\$ 3,813.47	\$ 3,813.47	
6.	SANITARY MANHOLE (10-12')	1	EA	\$ 4,526.19	\$ 4,526.19	
7.	SANITARY MANHOLE (12-14')	0	EA	\$ -	\$ -	
8.	SANITARY MANHOLE (14-16')	0	EA	\$ -	\$ -	
9.	SINGLE SERVICE CONNECTION	2	EA	\$ 609.74	\$ 1,219.48	
10.	DOUBLE SERVICE CONNECTION	22	EA	\$ 770.73	\$ 16,956.06	
11.	TV & AIR TESTING - GRAVITY	1	LS	\$ 5,985.60	\$ 5,985.60	
ADD	CONNECT TO EXISTING MANHOLE	1	EA	\$ 1,967.64	\$ 1,967.64	
	SUBTOTAL				\$ 99,191.70	



### ORCHID TERRACE PHASE 3 - (46 Lots) (FKA HIGHLAND MEADOWS WEST) Section II.K. - SUMMARY OF COST AND SCHEDULE

	Description	Bid Qty.	UM	Unit Cost	Total Cost
	WATER AND FIRE DISTRIBUTION	214 (1).	0.112	···· 0001	
1.	CONNECT TO EXISTING MAINS	1	EA	\$ 3,820.73	\$ 3,820.73
2.	6" PVC WATER MAIN (DR-18)	0	LF	\$ -	\$ -
3.	8" PVC WATER MAIN (DR-18)	1,869	LF	\$ 17.60	\$ 32,894.40
4.	8" GATE VALVE ASSEMBLY	7	EA	\$ 1,378.81	\$ 9,651.67
5.	8" MJ BEND	8	EA	\$ 303.09	\$ 2,424.72
6.	8" MJ TEE	0	EA	\$	\$ 
7.	8" X 6" MJ REDUCER	0	EA	\$ 226.60	\$ 
8.	8" X 8" X 8" TEE	2	EA	\$ 466.88	\$ 933.76
9.	6" MJ BEND	0	EA	\$ -	\$
10.	FIRE HYDRANT ASSEMBLY	3	EA	\$ 4,922.89	\$ 14,768.67
11.	SINGLE SERVICE - SHORT	3	EA	\$ 756.86	\$ 2,270.58
12.	SINGLE SERVICE - LONG	2	EA	\$ 770.80	\$ 1,541.60
13.	DOUBLE SERVICE - SHORT	12	EA	\$ 1,257.19	\$ 15,086.28
14.	DOUBLE SERVICE - LONG	9	EA	\$ 1,271.15	\$ 11,440.35
15.	4" BLOW OFF	1	EA	\$ 6,301.85	\$ 6,301.85
16.	SAMPLE POINTS	13	EA	\$ 200.02	\$ 2,600.26
17.	POLY-PIG WATER MAINS	1	LS	\$ 6,597.57	\$ 6,597.57
18.	TESTING AND BACTERIOLOGICAL	1	LS	\$ 3,165.37	\$ 3,165.37
	SUBTOTAL				\$ 113,497.81
	GRAND TOTAL				\$ 597,687.19
	PER LOT	46	LOTS		\$ 12,993.20

#### **BID NOTES:**

<sup>1)</sup> DO NOT INCLUDE COST OF PERIMETER WALLS OR FENCES, EXCEPT LIFT STATION FENCING & GATES

<sup>2)</sup> DO NOT INCLUDE COST OF LANDSCAPE OR IRRIGATION

## **SECTION XII**



December 31, 2019

Highland Meadows West Community Development District c/o Government Management Services-Central Florida, LLC 135 West Central Boulevard, Suite 320 Orlando, Florida 32801

Attention:

Jillian Burns

District Manager

Re:

Bond Counsel - Highland Meadows West Community Development District

(the "District")

#### Ladies and Gentlemen:

Greenberg Traurig ("GT") has been serving as bond counsel to the District since 2018. We originally contemplated in our engagement letter of July 17, 2018 that there would be periodic single series of bonds issued to finance the infrastructure. "Absent unusual circumstances", the initial fee was to be \$45,000, with the expectation that the fee for subsequent series would be \$40,000. It also provided that any increase in the fee resulting from "unusual circumstances" would be subject to prior Board approval. With respect to the Series 2020 financing, prior to the annexation we prepared a single supplemental indenture and incorporated an escrow structure where certain proceeds would be held back until various conditions relating to the annexation were satisfied. Now that the annexation will be completed prior to posting of the PLOM, we had to start over and prepare a different form of supplemental indenture, in fact two nearly identical ones, to accommodate two separate assessment areas. As a result of the unusual circumstances-the successful annexation and change in finance structure from one series with an escrow to two series without escrows, we request an adjustment to the basis of our compensation. Accordingly, we propose to charge a flat fee of \$30,000 for each series of bonds, one for assessment area 2 and one for assessment area 3. The other provisions of our original engagement letter would remain operative.

Please present this proposal to the Board of Supervisors at its January 8<sup>th</sup> meeting. In good faith we plan to go ahead and prepare the delegation resolution with the forms of supplemental indentures for presentation at that same meeting. If accepted, please execute a copy of this letter and email it back to me. Thank you for your assistance.

Yours sincerely,

Robert C. Gang

Dol

Accepted and agreed to this \_\_\_\_ day of January, 2020

Chairman, Board of Supervisors

## **SECTION XIII**



#### Marsha M. Faux, CFA, ASA

#### Polk County Property Appraiser 2020 Data Sharing and Usage Agreement

#### HIGHLAND MEADOWS WEST CDD

This Data Sharing and Usage Agreement, hereafter referred to as "Agreement," establishes the terms and conditions under which the **HIGHLAND MEADOWS WEST CDD**, hereafter referred to as **agency**, can acquire and use Polk County Property Appraiser data that is exempt from Public Records disclosure as defined in <u>FS 119.071</u>.

The confidentiality of personal identifying and location information including: names, physical, mailing, and street addresses, parcel ID, legal property description, neighborhood name, lot number, GPS coordinates, or any other descriptive property information that may reveal identity or home address pertaining to parcels owned by individuals that have received exempt / confidential status, hereafter referred to as confidential information, will be protected as follows:

- The agency will not release confidential information that may reveal identifying and location information of individuals exempted from Public Records disclosure.
- The agency will not present the confidential information in the results of data analysis (including maps) in
  any manner that would reveal personal identifying and location information of individuals exempted from
  Public Records disclosure.
- 3. The **agency** shall comply with all state laws and regulations governing the confidentiality of personal identifying and location information that is the subject of this Agreement.
- The agency shall ensure any employee granted access to confidential information is subject to the terms and conditions of this Agreement.
- 5. The agency shall ensure any third party granted access to confidential information is subject to the terms and conditions of this Agreement. Acceptance of these terms must be provided in writing to the agency by the third party before personal identifying and location information is released.

The term of this Agreement shall commence on January 1, 2020 and shall run until December 31, 2020, the date of signature by the parties notwithstanding. This Agreement shall not automatically renew. A new agreement will be provided annually for the following year.

IN WITNESS THEREOF, both the Polk County Property Appraiser, through its duly authorized representative, and the **agency**, through its duly authorized representative, have hereunto executed this Data Sharing and Usage Agreement for the term of the agreement.

	A DODA NEED A DODA NEED	LUCIU AND	MEADOWS WEST CDD
POLK COU	NTY PROPERTY APPRAISER	HIGHLAND	NIEADOWS WEST COD
Signature:	Marche Famp	Signature:	All Burn
Print:	Marsha M. Faux CFA, ASA	Print:	UdilBurns
Title:	Polk County Property Appraiser	Title:	District Manager
Date:	December 2, 2019	Date:	12/9/19

Please email the signed agreement to pataxroll@polk-county.net.

## **SECTION XIV**

### CONTRACT AGREEMENT

This Agreement made and entered into on Friday, December 06, 2019 by and between the Highlands Meadows West Community Development District, a local unit of special purpose government of the State of Florida hereinafter referred to as the 'Special District', and Marsha M. Faux, Polk County Property Appraiser, a Constitutional Officer of the State of Florida, whose address is 255 North Wilson Ave., Bartow, FL 33830, hereinafter referred to as the 'Property Appraiser'.

- Section 197.3632 Florida Statutes, provides that special assessments of non-ad valorem taxes levied by the Special
  District may be included in the assessment rolls of the County and collected in conjunction with ad valorem taxes as
  assessed by the Property Appraiser. Pursuant to that option, the Property Appraiser and the Special District shall enter
  into an agreement providing for reimbursement to the Property Appraiser of administrative costs, including costs of
  inception and maintenance, incurred as a result of such inclusion.
- The parties herein agree that, for the 2020 tax year assessment roll, the Property Appraiser will include on the assessment rolls such special assessments as are certified to her by the Highlands Meadows West Community Development District.
- 3. The term of this Agreement shall commence on January 1, 2020 and shall run until December 31, 2020, the date of signature by the parties notwithstanding. This Agreement shall not automatically renew.
- 4. The Special District shall meet all relevant requirements of Section 197.3632 & 190.021 Florida Statutes.
- 5. The Special District shall furnish the Property Appraiser with up-to-date data concerning its boundaries and proposed assessments, and other information as requested by the Property Appraiser to facilitate in administering the non-ad valorem assessment in question. Specifically, the Special District shall provide proposed assessments no later than Friday, July 17, 2020, for inclusion on the 2020 TRIM notice which is statutorily mailed within 55 days of July 1. The Special District's assessments shall, as far as practicable, be uniform (e.g. one uniform assessment for maintenance, etc.) to facilitate the making of the assessments by the mass data techniques utilized by the Property Appraiser.
- 6. The Special District shall certify to the Property Appraiser the Special District's annual installment and levy no later than Tuesday, September 15, 2020. The Property Appraiser shall, using the information provided by the Special District, place the Special District's non ad-valorem special assessments on properties within the district for inclusion on the 2020 tax roll.
- 7. The Property Appraiser shall be compensated by the Special District for the administrative costs incurred in carrying out this Agreement at the rate of 1% of the amount levied on the TRIM Notice. The Property Appraiser will require payment on or before Tuesday, September 15, 2020 for processing within the Property Appraiser budget year (October 1st September 30th).
- 8. If the actual costs of performing the services under this agreement exceed the compensation provided for in Paragraph 7, the amount of compensation shall be the actual costs of performing the services under this agreement.
- If tax roll corrections are requested by the Special District, the Property Appraiser shall be compensated by the Special
  District for the administrative costs incurred at the rate of \$5.00 for each tax roll correction exceeding ten (10)
  corrections per tax year.

The Special District shall indemnify and hold harmless, to the extent permitted by Florida law and without waiving its right of any applicable sovereign immunity, the Property Appraiser and all respective officers, employees, agents and instrumentalities from any and all liability, losses or damages, including attorneys' fees and costs of defense, which the Property Appraiser and all respective officers, employees, agents or instrumentalities may incur as a result of claims, demands, suits, causes of actions or proceedings of any kind or nature arising out of, relating to or resulting from the negligent or intentional acts or omissions of the Special District or its employees, agents, servants, partners, principals, or subcontractors arising out of, relating to, or resulting from the performance of the Agreement. The Special District shall pay all claims and losses in connection therewith and shall investigate and defend all claims, suits or actions of any kind or nature in the name of the Property Appraiser where applicable, including appellate proceedings, and shall pay all costs, judgments, and attorneys' fees which may issue thereon.

## **CONTRACT AGREEMENT**

By:		
All	Burn	
Special Distri	ct Representative	
Ji!	1 Purns	
Print name		n/
1015	mich Marager	
Title		

EXECUTED on the date first above written

Marsha M. Faux, CFA, ASA Polk County Property Appraiser By:

I March famp

Marsha M. Faux, Property Appraiser

## SECTION XV

# SECTION C

# SECTION 1

# **Highland Meadows West**Community Development District

#### **Summary of Checks**

November 7, 2019 to December 30, 2019

Bank	Date	Check No.'s	Amount
General Fund	11/26/19	84	\$ 3,438.32
	12/4/19	85	\$ 240.00
	12/16/19	86	\$ 1,188.84
			\$ 4,867.16
			\$ 4,867.16

AP300R *** CHECK DATES 11/	/07/2019 - 12/30/2019 *** GENI	COUNTS PAYABLE PREPAID/COMPUTER ( ERAL FUND K A HIGHLAND MEADOW WEST	CHECK REGISTER	RUN 12/30/19	PAGE 1
	INVOICEEXPENSED TO DATE INVOICE YRMO DPT ACCT# SU		STATUS	AMOUNT	CHECK AMOUNT #
11/26/19 00001 11/	/01/19 20 201911 310-51300-340	000	*	2,916.67	
11/	MANAGEMENT FEES NOV19 /01/19 20 201911 310-51300-352	200	*	75.00	
11/	TECHNOLOGY FEES NOV19 /01/19 20 201911 310-51300-31	300	*	416.67	
11/	DISSEMINATION SRVC NOV19 /01/19 20 201911 310-51300-51	000	*	5.03	
11/	OFFICE SUPPLIES /01/19 20 201911 310-51300-420	000	*	.50	
11/	POSTAGE /01/19 20 201911 310-51300-42! COPIES	500	*	24.45	
		GOVERNMENTAL MANAGEMENT SERVICES			3,438.32 000084
12/04/19 00020 12/	/04/19 120419 201912 310-51300-490	000	*	240.00	
	TEMPORARY HYDRANT METER	HAINES CITY			240.00 000085
12/16/19 00010 11/	/03/19 1032341 201910 310-51300-480	000	*	341.84	
11/	NOT OF RULE DEV-10/7/19 /03/19 1032341 201910 310-51300-480	000	*	570.50	
11/	NOT OF RULE MAKE-10/8/19 /03/19 1032341 201910 310-51300-480 NOT OF MTG-10/10/19	000	*	276.50	

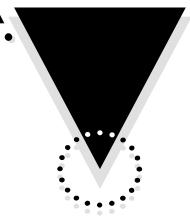
LAKELAND LEDGER PUBLISHING

TOTAL FOR BANK A 4,867.16
TOTAL FOR REGISTER 4,867.16

1,188.84 000086

HIMW --HIGH WEST-- KCOSTA

# SECTION 2



**Community Development District** 

**Unaudited Financial Reporting** 

November 30, 2019



## **Table of Contents**

1	Balance Sheet
2	General Fund Income Statement
3	Series 2019 Debt Service Fund
4	Series 2019 Capital Projects Fund Income Statement
5	Series 2019A Capital Projects Fund Income Statement
6	Month to Month
7	Developer Contribution Schedule
8	Long Term Debt Report
9	Series 2019 Construction Schedule

## COMMUNITY DEVELOPMENT DISTRICT BALANCE SHEET November 30, 2019

	General Fund	Debt Service Fund	Capital Projects Fund	Totals
ASSETS:				
<u>CASH</u>				
OPERATING ACCOUNT	\$9,512			\$9,512
<u>INVESTMENTS</u>				
SERIES 2019				
RESERVE		\$411,969		\$411,969
REVENUE		\$3,887		\$3,887
INTEREST		\$1,619		\$1,619
CONSTRUCTION			\$610,990	\$610,990
TOTAL ASSETS	\$9,512	\$417,474	\$610,990	\$1,037,977
LIABILITIES:				
ACCOUNTS PAYABLE	\$7,159			\$7,159
CONTRACTS PAYABLE			\$1,057	\$1,057
RETAINAGE PAYABLE			\$59,794	\$59,794
FUND EQUITY:				
FUND BALANCES:				
UNASSIGNED	\$2,353			\$2,353
RESERVED FOR DEBT SERVICE		\$417,474		\$417,474
RESERVED FOR CAPITAL PROJECTS 2019			\$551,196	\$551,196
RESERVED FOR CAPITAL PROJECTS 2019A			(\$1,057)	(\$1,057)
TOTAL LIABILITIES & FUND EQUITY	\$9,512	\$417,474	\$610,990	\$1,037,977

#### COMMUNITY DEVELOPMENT DISTRICT

#### **GENERAL FUND**

Statement of Revenues & Expenditures

	ADOPTED	PRORATED BUDGET	ACTUAL			
REVENUES:	BUDGET	THRU 11/30/19	THRU 11/30/19	VARIANCE		
DEVELOPER CONTRIBUTIONS	\$265,700	\$20,000	\$20,000	\$0		
TOTAL REVENUES	\$265,700	\$20,000	\$20,000	\$0		
EXPENDITURES:						
ADMINISTRATIVE:						
SUPERVISORS FEES	\$12,000	\$2,000	\$2,600	(\$600)		
INSURANCE	\$5,600	\$5,600	\$5,125	\$475		
ENGINEERING	\$20,000	\$3,333	\$0	\$3,333		
DISTRICT COUNSEL	\$20,000	\$3,333	\$2,009	\$1,324		
ANNUAL AUDIT	\$4,000	\$0	\$0	\$0		
ASSESSMENT ADMINISTRATION	\$5,000	\$0	<b>\$0</b>	\$0		
ARBITRAGE	\$650	\$0	\$0	\$0		
DISSEMINATION FEES	\$5,000	\$833	\$833	(\$0)		
TRUSTEE FEES	\$3,500	\$0	\$0	\$0		
DISTRICT MANAGEMENT	\$35,000	\$5,833	\$5,833	(\$0)		
TELEPHONE	\$250	\$42	\$1	\$40		
POSTAGE & DELIVERY	\$500	\$83	\$20	\$63		
OFFICE SUPPLIES	\$1,000	\$167	\$8	\$159		
PRINTING & BINDING	\$1,000	\$167	\$70	\$96		
LEGAL ADVERTISING	\$10,000	\$1,667	\$1,189	\$478		
MISCELLANEOUS	\$5,000	\$833	\$0 \$1.500	\$833		
BOUNDARY AMENDMENT EXPENSES	\$0 \$000	\$0 \$150	\$1,500	(\$1,500)		
INFORMATION TECHNOLOGY DUES, LICENSES, & FEES	\$900 \$175	\$150 \$175	\$150 \$175	\$0 \$0		
	· 	·	•			
TOTAL ADMINISTRATIVE:	\$129,575	\$24,217	\$19,514	\$4,703		
OPERATIONS & MAINTENANCE:						
PROPERTY INSURANCE	\$1,000	\$167	\$0	\$167		
INTERLOCAL AMENITY AGREEMENT	\$48,958	\$8,160	\$0	\$8,160		
PLAYGROUND LEASE	\$0	\$0	\$2,509	(\$2,509)		
LANDSCAPE MAINTENANCE	\$58,000	\$9,667	\$0	\$9,667		
LANDSCAPE REPLACEMENT	\$5,000	\$833	\$0	\$833		
FERTILIZATION	\$13,167	\$2,194	\$0	\$2,194		
CONTINGENCY	\$10,000	\$1,667	\$0	\$1,667		
TOTAL OPERATIONS & MAINTENANCE:	\$136,125	\$22,687	\$2,509	\$20,178		
TOTAL EXPENDITURES	\$265,700	\$46,904	\$22,023	\$24,881		
EXCESS REVENUES (EXPENDITURES)	\$0		(\$2,023)			
FUND BALANCE - BEGINNING	\$0		\$4,377			
FUND BALANCE - ENDING	\$0		\$2,353			
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#### COMMUNITY DEVELOPMENT DISTRICT

#### DEBT SERVICE FUND - SERIES 2019 SERIES 2019

Statement of Revenues & Expenditures

	ADOPTED	PRORATED BUDGET	ACTUAL	
	BUDGET	THRU 11/30/19	THRU 11/30/19	VARIANCE
REVENUES:				
SPECIAL ASSESSMENTS	\$411,969	\$0	\$0	\$0
INTEREST	\$500	\$0	\$1,513	\$1,513
TRANSFER IN	\$0	\$0	\$132	\$132
TOTAL REVENUES	\$412,469	\$0	\$1,645	\$1,645
EXPENDITURES:				
INTEREST EXPENSE - 11/1	\$157,567	\$157,567	\$157,567	\$0
INTEREST EXPENSE - 5/2	\$152,484	\$0	\$0	\$0
TOTAL EXPENDITURES	\$310,052	\$157,567	\$157,567	\$0
EXCESS REVENUES (EXPENDITURES)	\$102,417		(\$155,922)	
FUND BALANCE - BEGINNING	\$158,060		\$573,397	
FUND BALANCE - ENDING	\$260,477		\$417,474	

#### COMMUNITY DEVELOPMENT DISTRICT

#### CAPITAL PROJECTS FUND - SERIES 2019 SERIES 2019

Statement of Revenues & Expenditures

	ADOPTED	PRORATED BUDGET	ACTUAL			
	BUDGET	THRU 11/30/19	THRU 11/30/19	VARIANCE		
REVENUES:						
BOND PROCEEDS	\$0	\$0	\$0	\$0		
INTEREST	\$0	\$0	\$5,633	\$5,633		
TOTAL REVENUES	\$0	\$0	\$5,633	\$5,633		
EXPENDITURES:						
CAPITAL OUTLAY	\$0	\$0	\$867,857	(\$867,857)		
TRANSFER OUT	\$0	\$0	\$132	(\$132)		
TOTAL EXPENDITURES	\$0	\$0	\$867,989	(\$867,989)		
EXCESS REVENUES (EXPENDITURES)	\$0		(\$862,356)			
FUND BALANCE - BEGINNING	\$0		\$1,413,553			
FUND BALANCE - ENDING	\$0		\$551,196			

#### COMMUNITY DEVELOPMENT DISTRICT

#### CAPITAL PROJECTS FUND - SERIES 2019A SERIES 2019

Statement of Revenues & Expenditures

	ADOPTED	PRORATED BUDGET	ACTUAL	
	BUDGET	THRU 11/30/19	THRU 11/30/19	VARIANCE
REVENUES:				
BOND PROCEEDS	\$0	\$0	\$0	\$0
INTEREST	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$0	\$0	\$0	\$0
EXPENDITURES:				
CAPITAL OUTLAY	\$0	\$0	\$0	\$0
CAPITAL OUTLAY - COST OF ISSUANCE	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$0	\$0	\$0	\$0
EXCESS REVENUES (EXPENDITURES)	\$0		\$0	
FUND BALANCE - BEGINNING	\$0		(\$1,057)	
FUND BALANCE - ENDING	\$0		(\$1,057)	

#### **Community Development District**

	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Total
REVENUES:													
DEVELOPER CONTRIBUTIONS	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000
TOTAL REVENUES	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000
EXPENDITURES:													
ADMINISTRATIVE:													
SUPERVISORS FEES	\$800	\$1,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,600
INSURANCE	\$5,125	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,125
ENGINEERING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DISTRICT COUNSEL	\$2,009	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,009
ANNUAL AUDIT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ASSESSMENT ADMINISTRATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ARBITRAGE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DISSEMINATION FEES	\$417	\$417	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$833
TRUSTEE FEES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DISTRICT MANAGEMENT	\$2,917	\$2,917	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,833
TELEPHONE	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1
POSTAGE & DELIVERY	\$20	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20
OFFICE SUPPLIES	\$3	\$5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8
PRINTING & BINDING	\$46	\$24	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$70
LEGAL ADVERTISING	\$1,189	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,189
MISCELLANEOUS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BOUNDARY AMENDMENT EXPENSES	\$1,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500
INFORMATION TECHNOLOGY	\$75	\$75	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$150
DUES, LICENSES, & FEES	\$175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$175
TOTAL ADMINISTRATIVE:	\$14,276	\$5,238	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,514
OPERATIONS & MAINTENANCE:													
PROPERTY INSURANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
INTERLOCAL AMENITY AGREEMENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PLAYGROUND LEASE	\$1,738	\$771	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,509
LANDSCAPE MAINTENANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LANDSCAPE REPLACEMENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	<b>\$</b> 0	\$0	\$0	\$0
FERTILIZATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CONTINGENCY	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL OPERATIONS & MAINTENANCE:	\$1,738	\$771	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,509
TOTAL EXPENDITURES	\$16,013	\$6,010	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,023
EXCESS REVENUES/(EXPENDITURES)	\$3,987	(\$6,010)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,023)

#### Highland Meadows West Community Development District Developer Contributions/Due from Developer

Funding	Prepared	Payment			Total General			General	Сар	ital Projects	s Capital Projects			General		Over and	
Request	Date	Received	Check/Wire		Funding	ing Fund			Fund Fund		Fund		Fund		(short)		
#		Date	Amount		Request	Po	rtion (FY18)	Po	rtion (FY19)	Poi	rtion (FY18)	Po	rtion (FY19)	Ро	rtion (FY20)	Bala	nce Due
2018-01 FY19	7/17/17	10/15/18	\$ 20,167.45	\$	20,167.45	\$	20,475.00	\$	-	\$	-	\$	-	\$	-	\$	-
1	10/19/18	11/30/18	\$ 20,000.00	\$	20,000.00	\$	-	\$	20,000.00	\$	-	\$	-	\$	-	\$	-
2	12/12/18	2/1/19	\$ 20,000.00	\$	20,000.00	\$	-	\$	20,000.00	\$	-	\$	-	\$	-	\$	-
B1	12/12/18	2/1/19	\$ 18,614.15	\$	18,614.15	\$	-	\$	-	\$	9,407.65	\$	9,206.50	\$	-	\$	-
B2	3/20/19	4/5/19	\$ 146.66	\$	146.66	\$	-	\$	-	\$	-	\$	146.66	\$	-	\$	-
3	5/15/19	6/7/19	\$ 20,000.00	\$	20,000.00	\$	-	\$	20,000.00	\$	-	\$	-	\$	-	\$	-
4	7/31/19	8/12/19	\$ 20,000.00	\$	20,000.00	\$	-	\$	20,000.00	\$	-	\$	-	\$	-	\$	-
5	10/10/19	10/22/19	\$ 10,000.00	\$	10,000.00	\$	-	\$	10,000.00	\$	-	\$	-	\$	-	\$	-
BA1-1	10/10/19	11/12/19	\$ 3,778.00	\$	3,778.00	\$	-	\$	3,778.00	\$	-	\$	-	\$	-	\$	-
BA1-2	11/5/19	11/25/19	\$ 2,161.00	\$	2,161.00	\$	-	\$	2,161.00	\$	-	\$	-	\$	-	\$	-
FY20																	
1	10/10/19	10/22/19	\$ 20,000.00	\$	20,000.00	\$	-			\$	-	\$	-	\$	20,000.00	\$	-
Due from De	veloper		\$134,699.81	\$ 1	154,867.26	\$	20,475.00	\$	95,939.00	\$	9,407.65	\$	9,353.16	\$	20,000.00	\$	-

Total Developer Contributions FY20 \$ 20,000.00

#### **Community Development District**

#### LONG TERM DEBT REPORT

#### SERIES 2019, SPECIAL ASSESSMENT REVENUE BONDS

INTEREST RATE: 4.000%, 4.125%, 4.875%, 5.000%

MATURITY DATE: 11/1/2049

RESERVE FUND DEFINITION MAXIMUM ANNUAL DEBT SERVICE

RESERVE FUND REQUIREMENT \$411,969
RESERVE FUND BALANCE \$411,969

BONDS OUTSTANDING - 04/25/19 \$6,385,000

CURRENT BONDS OUTSTANDING \$6,385,000

#### Highland Meadows West Community Development District

#### Special Assessment Revenue Bonds, Series 2019

	Requisition #	Contractor	Description		Requisition
iscal Year 2019					
5/3/19	2	Davenport Road South CDD	Amenity Cost Allocation - Interlocal Agreement	\$	614,684.00
5/3/19	3	Greenberg Traurig	Inv# 5053884 - TRIAD recording fees reimbursement	\$	624.00
6/11/19	4	Heath Construction & Management, LLC	Invoices: 140, 146 & 167 - Construction Management Services 03/16/19 to 04/30/19	\$	9,000.00
6/11/19	5	Hopping, Green & Sams	Invoice: 105714 - Legal Services - January 2019	\$	1,256,75
6/11/19	7	Horner Environmental Professionals, Inc.	Invoice: 215576 - Environmental Services - March 2019	\$	2,952.50
6/11/19	8	Wood & Associates Engineering, LLC	Invoice 140 - Engineering Progress Billing - March 2019	\$	1,550.00
6/17/19	6	HMD West, LLC	Reimbursement for Project Construction Costs	\$	223,609.70
6/28/19	9	Hopping, Green & Sams	Invoice: 107674 - Legal Services - April 2019	\$	599.87
6/28/19	10	Horner Environmental Professionals, Inc.	Invoice: 215532 - Environmental Services - February 2019	\$	2,230.0
6/28/19	11	Heath Construction & Management, LLC	Invoices: 175, 186 & 197 - Construction Management Services 05/01/19 to 06/15/19	\$	9,000.0
6/28/19	12	Wood & Associates Engineering, LLC	Invoice: 200 - Engineering Progress Billing - April 2019; Invoice: 1 - certification reimbursement	\$	1,440.0
6/28/19	13	Tucker Paving, Inc	Pay Application 1 - Period through 05/25/19	\$	166,713.8
6/28/19	14	Hopping, Green & Sams	Invoice: 106966 - Legal Services - March 2019	\$	2,033.50
7/10/19	15	Ferguson Waterworks	Invoices: 1757634, 1756294 & 1757688 - Construction materials	\$	22,204.73
7/10/19	16	Ulrich's Pitcher Pump	Invoice: 0105969 - Turbine and adandone well work	\$	5,000.0
7/25/19	17	Tucker Paving, Inc	Pay Application 2 - Period through 06/25/19	\$	295,659.6
7/23/19	18	Mack Industries, Inc.	Invoices: MCI 106567 to MCI 106718 - Construction Materials per June 2019 spreadsheet	\$	95,598.0
7/23/19	19	Hopping, Green & Sams	Invoices: 108288 - Legal Services - May 2019	\$	426.0
7/23/19	20	Heath Construction & Management, LLC	Invoices: 221 & 232 - Construction Management Services 06/16/19 to 07/15/19	\$	6,000.0
8/20/19	21	Tucker Paving, Inc	Pay Application 3 - Period through 07/25/19	\$	676,708.5
9/13/19	22	Hopping, Green & Sams	Invoice: 108841 - Engineering Services - June 2019	\$	121.0
9/13/19	23	Mack Industries, Inc.	Invoices: MCI 106803 to MCI 107158 - Construction Materials per July 2019 spreadsheet	\$	44,926.0
9/11/19	24	Ferguson Waterworks	Invoices: 1756343 to 1763163 - Construction Materials per July 2019 spreadsheet	\$	290,994.3
9/11/19	25	Greenland Services, LLC		\$	30,641.5
	25 26		Invoice: 17696 - Land Clearing	\$	
9/16/19	26 27	HMD West, LLC	Invoices: 240 & 250 - Construction Management 07/16/19 to 08/15/19	ş Ś	6,000.0
9/11/19		Cassidy Holdings Group, Inc.	Reimbursement for Project Construction Costs		25,835.5
9/11/19	28	Tucker Paving, Inc	Pay Application 4 - Period through 08/25/19	\$	522,806.7
9/11/19	29	HMD West, LLC	Invoice: 258 - Construction Management 08/16/19 to 08/31/19	\$	3,000.00
9/11/19	30	Ferguson Waterworks	Invoices: 1763570 to 1769796 - Construction Materials per August 2019 spreadsheet	\$	154,355.19
	-	TOTAL		\$	3,215,971.50
iscal Year 2019					
5/1/19		Interest		\$	1,864.46
6/1/19		Interest		\$	8,402.51
7/1/19		Interest		\$	7,677.11
8/1/19		Interest		\$	7,217.1
9/1/19		Interest		\$	5,586.93
	-	TOTAL		\$	30,748.1
			Acquisition/Construction Fund at 04/25/18	\$	5,510,264.05
			Interest Earned thru 09/30/19	\$	30,748.15
			Requisitions Paid thru 09/30/19	\$	(3,215,971.50
			Remaining Acquisition/Construction Fund	\$	2,325,040.70

10/1/19 10/1/19 10/1/19 10/1/19 10/1/19 10/1/19 10/16/19 10/16/19 10/16/19 10/28/19 10/28/19 11/8/19 11/6/19 11/25/19 11/25/19	31 32 33 34 35 36 37	Wood & Associates Engineering, LLC HMD West, LLC Duke Energy Tucker Paving, Inc Ferguson Waterworks	Invoices: 10, 79 & 354 - Engineering Progress Billing - January, February, July - August 2019 Invoice: 267 - Construction Management 09/01/19 to 09/15/19 Invoice: F3304013901 - Patterson Road	\$	37,770.00 3,000.00
10/1/19 10/1/19 10/1/19 10/1/19 10/16/19 10/16/19 10/18/19 10/28/19 10/28/19 11/8/19 11/6/19 11/7/19 11/25/19	32 33 34 35 36 37	HMD West, LLC Duke Energy Tucker Paving, Inc	Invoice: 267 - Construction Management 09/01/19 to 09/15/19	\$	. ,
10/1/19 10/1/19 10/1/19 10/16/19 10/16/19 10/18/19 10/28/19 10/28/19 11/8/19 11/6/19 11/7/19 11/25/19	33 34 35 36 37	Duke Energy Tucker Paving, Inc			3,000,00
10/1/19 10/1/19 10/16/19 10/16/19 10/18/19 10/28/19 10/28/19 11/8/19 11/6/19 11/7/19 11/7/19 11/25/19	34 35 36 37	Tucker Paving, Inc	Invoice: F3304013901 - Patterson Road		
10/1/19 10/16/19 10/16/19 10/18/19 10/28/19 10/28/19 11/8/19 11/6/19 11/7/19 11/25/19	35 36 37			\$	6,786.7
10/16/19 10/16/19 10/18/19 10/18/19 10/28/19 10/28/19 11/8/19 11/6/19 11/7/19 11/25/19	36 37	Ferguson Waterworks	Pay Application 5 - Period through 09/25/19	\$	610,265.3
10/16/19 10/18/19 10/28/19 10/28/19 11/8/19 11/6/19 11/7/19 11/25/19	37		Invoices: 1770017 to 1775559 - Construction Material per September 2019 spreadsheet	\$	120,871.2
10/18/19 10/28/19 10/28/19 11/8/19 11/6/19 11/7/19 11/25/19		Tucker Paving, Inc	Pay Application Retainage - Period through 09/30/19	\$	59,793.6
10/28/19 10/28/19 11/8/19 11/6/19 11/7/19 11/25/19 11/25/19	20	HMD West, LLC	Invoice: 277 - Construction Management 09/16/19 to 09/30/19	\$	3,000.0
10/28/19 11/8/19 11/6/19 11/7/19 11/25/19 11/25/19	38	Wood & Associates Engineering, LLC	Invoices: 36, 78, 141, 407, 199, 291, 385, 384, 340 & 344 - Review Fee, Publication Fee & Engineering Billing	\$	10,295.7
11/8/19 11/6/19 11/7/19 11/25/19 11/25/19	39	Wood & Associates Engineering, LLC	Invoice: 416 - Plat Review Fee Orchid Terrace Phase 1	\$	2,910.0
11/6/19 11/7/19 11/25/19 11/25/19	40	HMD West, LLC	Invoice: 291 - Construction Management 10/01/19 to 10/15/19	\$	3,000.0
11/7/19 11/25/19 11/25/19	41	Tucker Paving, Inc	Pay Application 6 - Period through 10/31/19	\$	686,320.8
11/25/19 11/25/19	42	Hopping, Green & Sams	Invoice: 109389 - Legal Services - July 2019	\$	43.5
11/25/19	43	HMD West, LLC	Invoice: 303 - Construction Management 10/16/19 to 10/31/19	\$	3,000.0
	44	Danielle Fence	Invoice: 99964 - 35% Deposit of Installation & Permit	\$	36,410.1
11/22/10	45	HMD West, LLC	Invoice: 313 - Construction Management 11/1/19 to 11/15/19	\$	3,000.0
	46	Polk County Clerk of Courts	Recording Fee for Orchid Terrace Phase 1	\$	150.0
11/22/19	47	Florida Wall Concepts Inc.	Application # 1 - Period to 10/20/19	\$	68,471.2
11/25/19	48	Duke Energy	Invoice: F3304010601 - Orchid Terrace	\$	646.4
11/25/19	49	Duke Energy	Invoices: F3303992703, F3303999202, F3303996602 & F3304000302 - Orchid Terrace	\$	34,449.5
11/25/19	50	HUB International Midwest Ltd.	Invoice: 1667061 - New Business Premium for Orchid Terrace	\$	29,499.0
	_	TOTAL		\$	1,719,683.4
Fiscal Year 2020					
10/1/19	In	nterest		\$	3,746.2
11/1/19	In	nterest		\$	1,886.5
	_	TOTAL		\$	5,632.7
			Acquisition/Construction Fund at 09/30/19	\$	2,325,040.7
			Interest Earned thru 11/30/19	\$	5,632.7
			Requisitions Paid thru 11/30/19	\$ (	1,719,683.4
			Remaining Acquisition/Construction Fund	\$	610,990.0

## SECTION 3

Requisition	Payee/Vendor	Amount
41	Tucker Paving, Inc.	\$ 686,320.87
42	Hopping Green & Sams	\$ 43.50
43	HMD West, LLC	\$ 3,000.00
44	Danielle Fence	\$ 36,410.15
45	HMD West, LLC	\$ 3,000.00
46	Polk County Clerk of Courts	\$ 150.00
47	Florida Wall Concepts, Inc.	\$ 68,471.25
48	Duke Energy	\$ 646.42
49	Duke Energy	\$ 34,449.54
50	HUB International Midwest Ltd.	\$ 29,499.00
51	Duke Energy	\$ 14,358.84
52	Tucker Paving, Inc.	\$ 406,842.75
53	HMD West, LLC	\$ 3,000.00
54	HMD West, LLC	\$ 3,000.00
56	Duke Energy	\$ 7,186.15
	TOTAL	\$ 1,289,192.32