

# Charles Cove Community Development District

12051 Corporate Boulevard, Orlando, FL 32817; 407-723-5900

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A special meeting of the Board of Supervisors for the Charles Cove Community Development District will be held **Friday, April 3, 2020 at 1:00 p.m. using telephonic conferencing due to the COVID-19 Executive Orders 20-52 & 20-69**. The proposed agenda for this Board Meeting is found below.

Please use the following information to join the telephonic conferencing:

Phone: 1-844-621-3956 Participant Code: 796 580 192#

## **BOARD OF SUPERVISORS' MEETING AGENDA**

### **Organizational Matters**

- Roll Call to Confirm Quorum
- Public Comment Period
- 1. Discussion regarding Executive Orders 20-52 and 20-69
- 2. Consideration of the Minutes of the February 19, 2020 Board of Supervisors' Meeting
- 3. Consideration of the Minutes of the February 19, 2020 Auditor Selection Committee
- 4. Consideration of Mr. Christopher Wrenn's Resignation Letter & Naming a Replacement for Seat #3

### **Business Matters**

- 5. Ratification of Polk County Property Appraiser Agreement
- 6. Consideration of Uniform Collection Agreement
- 7. Consideration of Landscaping Proposals
  - a) Down to Earth
  - b) Floralawn
  - c) Prince & Sons
- 8. Consideration of Resolution 2020-32, Re-setting the Date, Time and Location of the Public Hearing on the Proposed Budget for Fiscal Year 2019-2020
- 9. Consideration of Resolution 2020-33, Re-setting the Date, Time and Location of the Public Hearing on the Adoption of Amended and Restated Rules of Procedure
- 10. Consideration of Resolution 2020-34, Re-setting the Date, Time and Location of the Public Hearing on the Adoption of Rules Relating to Parking and Parking Enforcement
- 11. Consideration of Resolution 2020-35, Delegation Award Resolution
- 12. Review of District Financial Statements

### **Other Business**

- Staff Reports
- District Counsel
- District Engineer
- District Manager



- Supervisor Requests and Audience Comments
- Adjournment



**Charles Cove  
Community Development District**

**Executive Orders  
20-52 & 20-69**

# STATE OF FLORIDA

## OFFICE OF THE GOVERNOR

### EXECUTIVE ORDER NUMBER 20-52

(Emergency Management - COVID-19 Public Health Emergency)

**WHEREAS**, Novel Coronavirus Disease 2019 (COVID-19) is a severe acute respiratory illness that can spread among humans through respiratory transmission and presents with symptoms similar to those of influenza; and

**WHEREAS**, in late 2019, a new and significant outbreak of COVID-19 emerged in China; and

**WHEREAS**, the World Health Organization previously declared COVID-19 a Public Health Emergency of International Concern; and

**WHEREAS**, in response to the recent COVID-19 outbreak in China, Iran, Italy, Japan and South Korea, the Centers for Disease Control and Prevention (“CDC”) has deemed it necessary to prohibit or restrict non-essential travel to or from those countries; and

**WHEREAS**, on March 1, 2020, I issued Executive Order number 20-51 directing the Florida Department of Health to issue a Public Health Emergency; and

**WHEREAS**, on March 1, 2020, the State Surgeon General and State Health Officer declared a Public Health Emergency exists in the State of Florida as a result of COVID-19; and

**WHEREAS**, on March 7, 2020, I directed the Director of the Division of Emergency Management to activate the State Emergency Operations Center to Level 2 to provide coordination and response to the COVID-19 emergency; and

**WHEREAS**, as of March 9, 2020, eight counties in Florida have positive cases for COVID-19, and COVID-19 poses a risk to the entire state of Florida; and

**WHEREAS**, the CDC currently recommends community preparedness and everyday prevention measures be taken by all individuals and families in the United States, including voluntary home isolation when individuals are sick with respiratory symptoms, covering coughs and sneezes with a tissue and disposal of the tissue immediately thereafter, washing hands often with soap and water for at least 20 seconds, using of alcohol-based hand sanitizers with 60%-95% alcohol if soap and water are not readily available and routinely cleaning frequently touched surfaces and objects to increase community resilience and readiness for responding to an outbreak; and

**WHEREAS**, the CDC currently recommends mitigation measures for communities experiencing an outbreak including staying at home when sick, keeping away from others who are sick, limiting face-to-face contact with others as much as possible, consulting with your healthcare provider if individuals or members of a household are at high risk for COVID-19 complications, wearing a facemask if advised to do so by a healthcare provider or by a public health official, staying home when a household member is sick with respiratory disease symptoms if instructed to do so by public health officials or a health care provider; and

**WHEREAS**, as Governor, I am responsible for meeting the dangers presented to this state and its people by this emergency.

**NOW, THEREFORE, I, RON DESANTIS**, as Governor of Florida, by virtue of the authority vested in me by Article IV, Section (1)(a) of the Florida Constitution, Chapter 252, Florida Statutes, and all other applicable laws, promulgate the following Executive Order to take immediate effect:

Section 1. Because of the foregoing conditions, I declare a state of emergency exists in the State of Florida.

Section 2. I designate the Director of the Division of Emergency Management (“Director”) as the State Coordinating Officer for the duration of this emergency and direct him to execute the State’s Comprehensive Emergency Management Plan and other response, recovery, and mitigation plans necessary to cope with the emergency. Additionally, I designate the State Health Officer and Surgeon General as a Deputy State Coordinating Officer and State Incident Commander.

Pursuant to section 252.36(1)(a), Florida Statutes, I delegate to the State Coordinating Officer the authority to exercise those powers delineated in sections 252.36(5)-(10), Florida Statutes, which he shall exercise as needed to meet this emergency, subject to the limitations of section 252.33, Florida Statutes. In exercising the powers delegated by this Order, the State Coordinating Officer shall confer with the Governor to the fullest extent practicable. The State Coordinating Officer shall also have the authority to:

A. Seek direct assistance and enter into agreements with any and all agencies of the United States Government as may be needed to meet the emergency.

B. Designate additional Deputy State Coordinating Officers, as necessary.

C. Suspend the effect of any statute, rule, or order that would in any way prevent, hinder, or delay any mitigation, response, or recovery action necessary to cope with this emergency.

D. Enter orders as may be needed to implement any of the foregoing powers; however, the requirements of sections 252.46 and 120.54(4), Florida Statutes, do not apply to any such orders issued by the State Coordinating Officer; however, no such order shall remain in effect beyond the expiration of this Executive Order, to include any extension.

Section 3. I order the Adjutant General to activate the Florida National Guard, as needed, to deal with this emergency.

Section 4. I find that the special duties and responsibilities resting upon some State, regional, and local agencies and other governmental bodies in responding to the emergency may require them to suspend the application of the statutes, rules, ordinances, and orders they administer. Therefore, I issue the following authorizations:

A. Pursuant to section 252.36(1)(a), Florida Statutes, the Executive Office of the Governor may suspend all statutes and rules affecting budgeting to the extent necessary to provide budget authority for state agencies to cope with this emergency. The requirements of sections 252.46 and 120.54(4), Florida Statutes, do not apply to any such suspension issued by the Executive Office of the Governor; however, no such suspension shall remain in effect beyond the expiration of this Executive Order, to include any extension.

B. Each State agency may suspend the provisions of any regulatory statute prescribing the procedures for conduct of state business or the orders or rules of that agency, if strict compliance with the provisions of any such statute, order, or rule would in any way prevent, hinder, or delay necessary action in coping with the emergency. This includes, but is not limited to, the authority to suspend any and all statutes, rules, ordinances, or orders which affect leasing, printing, purchasing, travel, and the condition of employment and the compensation of employees. For the purposes of this Executive Order, “necessary action in coping with the emergency” means any emergency mitigation, response, or recovery action: (1) prescribed in the State Comprehensive Emergency Management Plan (“CEMP”); or (2) ordered by the State Coordinating Officer. The requirements of sections 252.46 and 120.54, Florida Statutes, shall not apply to any such suspension issued by a State agency; however, no such suspension shall remain in effect beyond the expiration of this Executive Order, to include any extensions.

C. In accordance with section 465.0275, Florida Statutes, pharmacists may dispense up to a 30-day emergency prescription refill of maintenance medication to persons who reside in an area or county covered under this Executive Order and to emergency personnel who have been activated by their state and local agency but who do not reside in an area or county covered by this Executive Order.

D. In accordance with section 252.38, Florida Statutes, each political subdivision within the State of Florida may waive the procedures and formalities otherwise required of the political subdivision by law pertaining to:

1) Performance of public work and taking whatever prudent action is necessary to ensure the health, safety, and welfare of the community;

2) Entering into contracts; however, political subdivisions are cautioned against entering into time and materials contracts without ceiling as defined by 2 CFR 200.318(j) or cost plus percentage contracts as defined by 2 CFR 200.323(d);

3) Incurring obligations;

4) Employment of permanent and temporary workers;

5) Utilization of volunteer workers;

6) Rental of equipment;

7) Acquisition and distribution, with or without compensation, of supplies, materials, and facilities; and,

8) Appropriation and expenditure of public funds.

E. All State agencies responsible for the use of State buildings and facilities may close such buildings and facilities in those portions of the State affected by this emergency, to the extent necessary to meet this emergency. I direct each State agency to report the closure of any State

building or facility to the Secretary of the Department of Management Services. Under the authority contained in section 252.36, Florida Statutes, I direct each County to report the closure of any building or facility operated or maintained by the County or any political subdivision therein to the Secretary of the Department of Management Services. Furthermore, I direct the Secretary of the Department of Management Services to:

- 1) Maintain an accurate and up-to-date list of all such closures; and,
- 2) Provide that list daily to the State Coordinating Officer.

Section 5. I find that the demands placed upon the funds appropriated to the agencies of the State of Florida and to local agencies are unreasonably great and the funds currently available may be inadequate to pay the costs of coping with this emergency. In accordance with section 252.37(2), Florida Statutes, I direct that sufficient funds be made available, as needed, by transferring and expending moneys appropriated for other purposes, moneys from unappropriated surplus funds, or from the Budget Stabilization Fund.

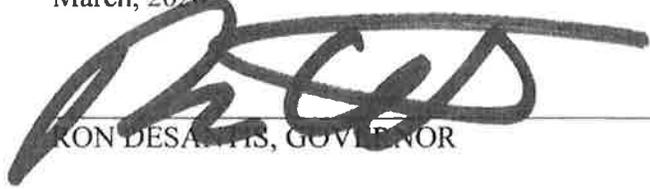
Section 6. All State agencies entering emergency final orders or other final actions in response to this emergency shall advise the State Coordinating Officer contemporaneously or as soon as practicable.

Section 7. Medical professionals and workers, social workers, and counselors with good and valid professional licenses issued by states other than the State of Florida may render such services in Florida during this emergency for persons affected by this emergency with the condition that such services be rendered to such persons free of charge, and with the further condition that such services be rendered under the auspices of the American Red Cross or the Florida Department of Health.

Section 8. All activities taken by the Director of the Division of Emergency Management and the State Health Officer and Surgeon General with respect to this emergency before the issuance of this Executive Order are ratified. This Executive Order shall expire sixty days from this date unless extended.



IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Florida to be affixed, at Tallahassee, this 9th day of March, 2020.

  
\_\_\_\_\_  
RON DESANTIS, GOVERNOR

ATTEST:

  
\_\_\_\_\_  
SECRETARY OF STATE

2020 MAR -9 PM 5:52

# STATE OF FLORIDA

## OFFICE OF THE GOVERNOR

### EXECUTIVE ORDER NUMBER 20-69

(Emergency Management – COVID-19 – Local Government Public Meetings)

**WHEREAS**, on March 1, 2020, I issued Executive Order 20-51 directing the Florida Department of Health to issue a Public Health Emergency as a result of COVID-19; and

**WHEREAS**, on March 1, 2020, the State Surgeon General and State Health Officer declared a Public Health Emergency exists in the State of Florida as a result of COVID-19; and

**WHEREAS**, on March 9, 2020, I issued Executive Order 20-52 declaring a state of emergency for the entire State of Florida as a result of COVID-19; and

**WHEREAS**, on March 16, 2020, President Donald J. Trump and the Centers for Disease Control and Prevention (“CDC”) issued the “15 Days to Slow the Spread” guidance advising individuals to adopt far-reaching social distancing measures, such as working from home and avoiding gatherings of more than 10 people; and

**WHEREAS**, on March 17, 2020, I wrote a letter to Attorney General Ashley Moody seeking an advisory opinion regarding concerns raised by local government bodies about their ability to hold meetings through teleconferencing and other technological means in order to protect the public and follow the CDC guidance regarding social distancing; and

**WHEREAS**, on March 19, 2020, Attorney General Ashley Moody delivered an opinion to me indicating that certain provisions of Florida law require a physical quorum be present for local government bodies to conduct official business, and that local government bodies may only conduct meetings by teleconferencing or other technological means if either a statute permits a quorum to be present by means other than in person, or that the in person requirement for constituting a quorum is lawfully suspended during the state of emergency; and

WHEREAS, it is necessary and appropriate to take action to ensure that COVID-19 remains controlled, and that residents and visitors in Florida remain safe and secure;

NOW, THEREFORE, I, RON DESANTIS, as Governor of Florida, by virtue of the authority vested in me by Article IV, Section (1)(a) of the Florida Constitution, Chapter 252, Florida Statutes, and all other applicable laws, promulgate the following Executive Order to take immediate effect:

Section 1. I hereby suspend any Florida Statute that requires a quorum to be present in person or requires a local government body to meet at a specific public place.

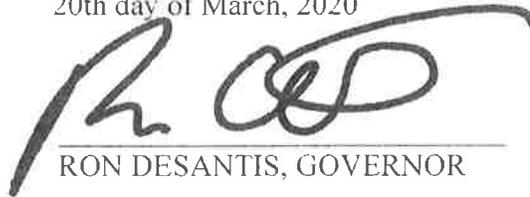
Section 2. Local government bodies may utilize communications media technology, such as telephonic and video conferencing, as provided in section 120.54(5)(b)2., Florida Statutes.

Section 3. This Executive Order does not waive any other requirement under the Florida Constitution and "Florida's Government in the Sunshine Laws," including Chapter 286, Florida Statutes.

Section 4. This Executive Order shall expire at the expiration of Executive Order 20-52, including any extension.



IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Florida to be affixed, at Tallahassee, this 20th day of March, 2020

  
RON DESANTIS, GOVERNOR

ATTEST:

  
SECRETARY OF STATE

2020 MAR 20 AM 9:38

11:30

# The Ledger

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Schedule:	3/27 1x, 3/27 1x, , ,			Taken On:	03/19/2020

**CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT PUBLIC MEETING HELD DURING PUBLIC HEALTH EMERGENCY DUE TO COVID-19**

Notice is hereby given that the Board of Supervisors ("Board") of the Charles Cove Community Development District ("District") will hold a special meeting of the Board of Supervisors on April 3, 2020 at 1:00 p.m. to be conducted by the following means of communications media technology, such as telephonic conferencing, pursuant to Executive Orders 20-52 and 20-69 issued by Governor DeSantis on March 9, 2020, and March 20, 2020, respectively, and pursuant to Section 120.54(5)(b)2., Florida Statutes. The meeting is being held for the necessary public purpose of considering essential public funding issues related to District improvements. At such time the Board is so authorized and may consider any business that may properly come before it.

While it is necessary to hold the above referenced meeting of the District's Board of Supervisors utilizing communications media technology due to the current COVID-19 public health emergency, the District fully encourages public participation in a safe and efficient manner. Toward that end, anyone wishing to listen and participate in the meeting can do so telephonically at 1-844-621-3956, Participant Code: 796 580 192#. Additionally, participants are encouraged to submit questions and comments to the District Manager in advance at [waldenj@pfm.com](mailto:waldenj@pfm.com) to facilitate the Board's consideration of such questions and comments during the meeting.

A copy of the agenda may be obtained at the offices of the District Manager, c/o PFM Group Consulting, LLC, 12051 Corporate Blvd., Orlando, Florida 32817 (407) 723-5900, [waldenj@pfm.com](mailto:waldenj@pfm.com) ("District Manager's Office") during normal business hours.

The meeting is open to the public and will be conducted in accordance with the provisions of Florida law for community development districts. The meeting may be continued to a date, time, and place to be specified on the record at such meeting. There may be occasions when Board Supervisors or

District Staff may participate by speaker telephone.

Any person requiring special accommodations at the meeting because of a disability or physical impairment should contact the District Manager's Office at least forty-eight (48) hours prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) / 1-800-955-8770 (Voice), for aid in contacting the District Manager's Office.

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that person will need a record of proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

Jennifer Walden  
District Manager

3-27; 2020 J72K

Attention: \_\_\_\_\_ Fax: \_\_\_\_\_

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**Charles Cove  
Community Development District**

**Minutes of the February 19, 2020  
Board of Supervisors' Meeting**

**MINUTES OF MEETING**

**CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT  
BOARD OF SUPERVISORS' MEETING  
Wednesday, February 19, 2020 1:00 p.m.  
Ramada, 43824 US-27, Davenport, FL 33837**

Board Members present:

Timothy Hultgren	Board Member
Branden Eckenrode	Board Member
Bradley Kingsley	Board Member
Sean Bailey	Board Member

Also present were:

Jennifer Walden	PFM
Lynne Mullins	PFM
Kevin Plenzler	PFM (via phone)
Roy Van Wyk	Hopping Green & Sams, P.A.
Bruce Taylor	Dave Schmitt Engineering (via phone)

**FIRST ORDER OF BUSINESS**

**Call to Order and Roll Call**

Ms. Walden called the meeting of the Board of Supervisors of the Charles Cove CDD to order at 1:00 p.m. and the roll was called.

**SECOND ORDER OF BUSINESS**

**Public Comment Period**

Ms. Walden called for any public comments on any agenda items. She noted there were no public comments.

**THIRD ORDER OF BUSINESS**

**Swearing in Newly Elected Board Members**

Ms. Walden noted that Mr. Sean Bailey was sworn in prior to the start of the meeting.

**FOURTH ORDER OF BUSINESS**

**Consideration of the Minutes of the  
January 15, 2020 Board of  
Supervisors' Meeting**

The Board reviewed the minutes for the January 15, 2020 Board of Supervisors' Meeting. Mr. Eckenrode provided edits.

On MOTION by Mr. Eckenrode, seconded by Mr. Hultgren, with all in favor, the Board approved the Minutes of the January 15, 2020 Board of Supervisors' Meeting, with changes.

**FIFTH ORDER OF BUSINESS**

**Consideration of the Minutes of the  
January 15, 2020 Board of  
Landowners' Meeting**

The Board reviewed the minutes for the January 15, 2020 Landowners' Meeting.

On MOTION by Mr. Eckenrode, seconded by Mr. Hultgren, with all in favor, the Board approved the Minutes of the January 15, 2020 Landowners' Meeting, as presented.

**SIXTH ORDER OF BUSINESS**

**Presentation of Draft Supplemental  
Assessment Methodology Report for  
Phase 1**

Mr. Plenzler presented the Supplemental Assessment Methodology Report for Phase 1. He noted that these are preliminary numbers and issuance is slated for late March/early April. In Table 4, the estimated par sizing is \$6,130,000 which would fund just under \$5,500,000 of capital improvements with Phase 1. In Table 5, it shows that the estimated principal per unit is estimated at \$19,037. In Table 6, the annual assessments are estimated at \$1,162 per unit. He added that these are all preliminary numbers and these have been analyzed on both an acreage and per lot basis for Phase 1. Mr. Plenzler finds these to be reasonably and equitably allocated and there is a benefitted received by each of the District's property owners in excess of the cost of the related assessments. Mr. Van Wyk asked if this Methodology is consistent with the Master Methodology that the Board previously approved. Mr. Plenzler replied that it is.

On MOTION by Mr. Eckenrode, seconded by Mr. Hultgren, with all in favor, the Board approved the Draft Supplemental Assessment Methodology Report for Phase 1.

**SEVENTH ORDER OF BUSINESS**

**Consideration of Resolution 2020-30,  
Adopting Internal Controls**

Mr. Van Wyk stated that when the District adopted the Rules of Procedure it was also noted that the District would need to adopt an internal controls policy as well. District Counsel has worked with the District Managers and District Accountants for all of their Districts and came up with internal controls that are sufficient for adoption for the District's operations so there is no issue with waste and fraud and such.

On MOTION by Mr. Hultgren, seconded by Mr. Eckenrode, with all in favor, the Board adopted Resolution 2020-30, Adopting Internal Controls.

**EIGHTH ORDER OF BUSINESS**

**Public Hearing on the District's Use of  
the Uniform Method of Levying,  
Collecting and Enforcing Non Ad-  
Valorem Assessment**

- o Public Comments and Testimony
- o Board Comments

o **Consideration of Resolution 2020-31**

Ms. Walden noted that the public hearing was noticed in the newspaper as required by Florida Statute and requested a motion to open the public hearing.

On MOTION by Mr. Eckenrode, seconded by Mr. Hultgren, with all in favor, the Board opened the Public Hearing.

Ms. Walden stated that there was no one from the public in attendance and asked for a motion to close the public hearing.

On MOTION by Mr. Hultgren, seconded by Mr. Eckenrode, with all in favor, the Board closed the Public Hearing.

Ms. Walden stated that this Resolution authorizes the District to levy and collect assessments on the County's tax roll which is known as the Uniform Method of Collection. Currently the District is Developer Funded but this is needed to be in place so when the District does decide to levy an O&M or Debt Assessment, everything will be in order.

On MOTION by Mr. Hultgren, seconded by Mr. Eckenrode, with all in favor, the Board approved Resolution 2020-31, Adopting the Uniform Method of Levying, Collecting and Enforcing Non Ad-Valorem Assessment.

**NINTH ORDER OF BUSINESS**

**Staff Reports**

**Attorney:** Mr. Van Wyk stated that next up is the validation hearing in March in front of the Judge. After that, there is a 30 day appeal period and then bonds can be issued.

**Engineer:** No Report

**District Manager:** Ms. Walden noted the next scheduled meeting is Wednesday, March 18, 2020 at 1:00 p.m. at this location. There are three public hearings scheduled – one for the budget adoption, one for the rules of procedure and one for the parking enforcement.

**TENTH ORDER OF BUSINESS**

**Audience Comments & Supervisor Requests**

There were no audience comments or Supervisor requests.

**ELEVENTH ORDER OF BUSINESS**

**Adjournment**

There was no further business to discuss. Ms. Walden requested a motion to adjourn.

On MOTION by Mr. Hultgren, seconded by Mr. Eckenrode, with all in favor, the February 19, 2020 Meeting of the Board of Supervisors of the Charles Cove Community Development District was adjourned.

\_\_\_\_\_  
Secretary / Assistant Secretary

\_\_\_\_\_  
Chairperson / Vice Chairperson

**Charles Cove  
Community Development District**

**Minutes of the February 19, 2020  
Auditor Selection Committee Meeting**

**MINUTES OF MEETING**

**CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT  
AUDITOR SELECTION COMMITTEE MEETING  
Wednesday, February 19, 2020 1:09 p.m.  
Ramada, 43824 US-27, Davenport, FL 33837**

Committee Members present:

Timothy Hultgren	Committee Member
Bradley Kingsley	Committee Member
Branden Eckenrode	Committee Member
Sean Bailey	Committee Member

Also present were:

Lynne Mullins	PFM
Jennifer Walden	PFM
Roy Van Wyk	Hopping Green & Sams, P.A.

**FIRST ORDER OF BUSINESS**

**Call to Order and Roll Call**

Ms. Walden called the meeting of the Auditor Selection Committee of the Charles Cove CDD to order at 1:09 p.m. and the roll was called.

**SECOND ORDER OF BUSINESS**

**Review and Approval of Audit Documents**

- a) **Audit RFP Notice**
- b) **Instructions to Proposers**
- c) **Evaluation Criteria- with and without price**

Ms. Walden explained that the Board needs to review the documents. She stated that the main purpose of the meeting today is for the committee to approve criteria to include price or exclude price. District staff recommended choosing price as part of the evaluation criteria but the Committee is free to decide how they would like to move forward.

On MOTION by Mr. Hultgren, seconded by Mr. Eckenrode, with all in favor, the Auditor Selection Committee authorized District Staff to issue the RFP and adopted the Evaluation Criteria to include price.

**THIRD ORDER OF BUSINESS**

**Adjournment**

There were no other questions or comments. Ms. Walden requested a motion to adjourn.

On MOTION by Mr. Hultgren, seconded by Mr. Eckenrode, with all in favor, the committee adjourned the February 19, 2020 Auditor Selection Committee for the Charles Cove Community Development District.

\_\_\_\_\_  
Secretary / Assistant Secretary

\_\_\_\_\_  
Chairperson / Vice Chairperson

**Charles Cove  
Community Development District**

**Mr. Christopher Wrenn's Resignation Letter  
& Naming a Replacement for Seat #3**

March 13, 2020

To Whom It May Concern:

I, Christopher Wrenn, will no longer be able to serve as a Board Member for the Charles Cove Board of Supervisors. Please accept this letter as my official resignation effective as of the date of this letter.

Sincerely,

A handwritten signature in cursive script, appearing to read "CW", written in black ink.

**CHARLES COVE  
COMMUNITY DEVELOPMENT DISTRICT  
BOARD OF SUPERVISORS  
OATH OF OFFICE**

I, \_\_\_\_\_, A CITIZEN OF THE STATE OF FLORIDA AND OF THE UNITED STATES OF AMERICA, AND BEING EMPLOYED BY OR AN OFFICER OF CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT AND A RECIPIENT OF PUBLIC FUNDS AS SUCH EMPLOYEE OR OFFICER, DO HEREBY SOLEMNLY SWEAR OR AFFIRM THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES AND OF THE STATE OF FLORIDA.

\_\_\_\_\_  
Board Supervisor

ACKNOWLEDGMENT OF OATH BEING TAKEN

STATE OF FLORIDA  
COUNTY OF POLK

The foregoing oath was administered before me this \_\_\_ day of \_\_\_\_\_, 2020, by \_\_\_\_\_, who personally appeared before me, and is personally known to me or has produced \_\_\_\_\_ as identification, and is the person described in and who took the aforementioned oath as a Member of the Board of Supervisors of Charles Cove Community Development District and acknowledged to and before me that he/she took said oath for the purposes therein expressed.

(NOTARY SEAL)

\_\_\_\_\_  
Notary Public, State of Florida

Print Name: \_\_\_\_\_

Commission No.: \_\_\_\_\_ Expires: \_\_\_\_\_

**Charles Cove  
Community Development District**

**Polk County Property Appraiser Agreement**

# CONTRACT AGREEMENT

This Agreement made and entered into on Thursday, February 20, 2020 by and between the Charles Cove 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'.

1. 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.
2. 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 Charles Cove 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.
9. 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.

EXECUTED on the date first above written

By:



Special District Representative

**Tim Hultgren**

Print name

**Chairman**

Title

Marsha M. Faux, CFA, ASA  
Polk County Property Appraiser

By:



Marsha M. Faux, Property Appraiser

**Charles Cove  
Community Development District**

**Uniform Collection Agreement**

UNIFORM COLLECTION  
AGREEMENT  
DISTRICT

THIS AGREEMENT made and entered into this 3rd day of, April 2020 by and between Charles Cove Community Development District (“District”), whose address is 12051 Corporate Blvd Orlando FL 32817 and the Honorable Joe G. Tedder, State Constitutional Tax Collector in and for the Polk County Political Subdivision, whose address is Polk County Tax Collectors Office, P.O. Box 1189, Bartow, Florida 33831-1189 (“Tax Collector”).

SECTION I

Findings and Determinations

The parties find and determine:

1. District is authorized to impose and levy, and by appropriate Resolution has expressed its intent to use the statutory uniform methodology of collection for, certain non-ad valorem special assessments for Lakeside Preserve Community Development District as authorized by constitutional and statutory municipal home rule and by section 197.3632, Florida Statutes (2012) and Rule 12D-18, Florida Administrative Code.

2. The term “Assessments” means those certain levies by the District which purport to constitute non-ad valorem special assessments for Charles Cove CDD improvements and related systems, facilities and services pursuant to Ordinance 19-1666 a non-ad valorem special assessment is lienable under Section 4, Article X, Florida Constitution, if it results in a special benefit peculiar to the parcels of property involved, over and above general community benefit, as a result of a logical connection to the property involved from the system, facility and service provided by the District and if it is apportioned to the property fairly and reasonably.

3. The uniform statutory collection methodology is provided in section 197.3632, Florida Statutes, and Rule 12D-18, Florida Administrative Code (“uniform methodology”), with its enforcement provisions, including the use of tax certificates and tax deeds for enforcing against any delinquencies; and

4. The uniform methodology is more fair to the delinquent property owner than traditional lien foreclosure methodology.

5. The uniform methodology provides for more efficiency of collection by virtue of the Assessment being on the official tax notice issued by the Tax Collector which will produce positive economic benefits to the District and its citizens; and

6. The uniform methodology, through use of the official tax notice, will tend to eliminate confusion.

7. The Tax Collector, as the State Constitutional Officer for the county political subdivision, charged by general law in Chapter 197, Florida Statutes, and related rules and regulations, to function as the agent of the Florida Department of Revenue for purposes of the uniform methodology for the Assessments.

8. The sole and exclusive responsibility to determine, impose and levy the Assessments and to determine that it is a legal, constitutional and lienable non-ad valorem special assessment for Charles Cove CDD and related systems, facilities and services is that of the District and no other person, entity or officer.

## SECTION II

### Applicable Law and Regulations

1. Section 2, Article VIII, Florida Constitution; Chapter 170, Florida Statutes; sections 197.3631, 3632 and 3635, Florida Statutes; Rule 12D-18, Florida Administrative Code; and all other applicable provisions of constitutional and statutory law, govern the exercise by the District of its local self-government power to render and pay for municipal services.

2. Section 1(d), Article VIII, Florida Constitution; Chapter 197, Florida and other applicable provisions of constitutional and statutory law apply to Tax Collector in his capacity as a state constitutional county officer and agent of the Florida Department of Revenue for purpose the of collecting and enforcing the collection of non-ad valorem special assessments levied by District.

3. Section 197.3631, Florida Statutes, constitutes supplemental authority for District to levy non-ad valorem assessments including such non-ad valorem special assessments as the "Assessments" for Charles Cove CDD and related systems, facilities and services.

4. Section 197.3632, Florida Statutes, and Rule 12D-18, Florida Administrative Code, have provisions that apply both to District and to Tax Collector, as well as, to the Department of Revenue and the Property Appraiser in and for the county.

## SECTION III

### Purpose

The purpose of this Agreement under Rule 12D-18, Florida Administrative Code, is to establish the terms and conditions under which the Tax Collector shall collect and enforce the collection of those certain non-ad valorem special assessments, the "Assessments," levied by District to include compensation by District to the Tax Collector for actual costs of collection pursuant to section 197.3632(8)(c), Florida Statutes; payment by District of any costs involved in separate mailings because of non-merger of any non-ad valorem special assessment roll as certified by the Chair of the Board of Charles Cove Community Development District

or his or her designee, pursuant to section 197.3632(7), Florida Statutes; and reimbursement by District for necessary administrative costs, including, but not limited to, those costs associated with personnel, forms, supplies, data processing, computer equipment, postage and programming which attend all of the collection and enforcement duties imposed upon the Tax Collector by the uniform methodology, as provided in section 197.3632(2), Florida Statutes.

#### SECTION IV

##### Term

The term of this Agreement shall commence upon execution, effective for 2020 tax notice purposes, and shall continue and extend uninterrupted from year-to-year, automatically renewed for successive periods not to exceed one (1) year each, unless District shall inform the Tax Collector, as well as Property Appraiser and the Department of Revenue, by 10 January of each calendar year, if District intends to discontinue using the uniform methodology for such Assessments pursuant to section 197.3632(6), Florida Statutes (2012) and Rule 12D-18.006(3), Florida Administrative Code, using form DR-412 promulgated by the Florida Department of Revenue.

#### SECTION V

##### Duties and Responsibilities of District

District agrees, covenants and contracts to:

1. Compensate the Tax Collector for collections on behalf of the special assessment district in the amount of two percent (2%) on the balance pursuant to 192.091(2)(b), Florida Statutes and 12D-18.004(2), Florida Administrative Code. The Authority agrees the 2% will be deducted from the balance at the time of each distribution.
2. To pay for or alternatively to reimburse the Tax Collector for any separate tax notice necessitated by the inability of the Tax Collector to merge the non-ad valorem special assessment roll certified by District pursuant to section 197.3632(7), Florida Statutes and Rule 12D-18.004(2) Florida Administrative Code.
3. District upon being timely billed shall pay directly for necessary advertising relating to implementation of the uniform non-ad valorem special assessment law pursuant to sections 197.3632 and 197.3635, Florida Statutes, and Rule 12D-18.004(2), Florida Administrative Code.
4. By 15 September of each calendar year, the Chair of the Board of the Charles Cove Community Development District, or his or her designee, shall certify, using DR Form 408 to the Tax Collector the non-ad valorem assessment ("Assessment") roll on compatible electronic medium, tied to the property parcel identification number, and otherwise in conformance with the ad valorem tax rolls submitted by the Property Appraiser in July to the Department of Revenue. District, or its agent on behalf of District, shall post the non-ad valorem special assessment for each parcel on the said non-ad valorem assessment roll and shall exercise

its responsibility that such non-ad valorem assessment roll be free of errors and omissions. Section 197.3632(10), Florida Statutes, and Rule 12D-18.006, Florida Administrative Code.

5. District agrees to abide by and implement its duties under the uniform law pursuant to all the provisions of sections 197.3632 and 197.3635, Florida Statutes, or its successor of statutory provisions and all applicable rules promulgated by the Department of Revenue and their successor rules.

6. District acknowledges that the Tax Collector has no duty, authority or responsibility in the imposition and levy of any non-ad valorem special assessments, including the District's "Assessment" and that it is the sole responsibility and duty of District to follow all procedural and substantive requirements for the levy and imposition of constitutionally lienable non-ad valorem special assessments, including the Assessments.

7. District shall indemnify and hold harmless Tax Collector to the extent of any legal action which may be filed in local, state or federal courts against Tax Collector regarding the imposition, levy, roll preparation and certification of the Assessments; District shall pay for or reimburse Tax Collector for fees for legal services rendered to Tax Collector with regard to any such legal action. Nothing herein shall be deemed or construed as a waiver of sovereign immunity by the Tax Collector or the District, and the parties shall have and maintain at all times and for all purposes any and all rights, immunities and protections available under controlling legal precedent as provided under Section 768.28, Florida Statute, or its successor and as provided under other applicable law.

## SECTION VI

### Duties of the Tax Collector

1. The Tax Collector or its agent shall merge timely the legally certified "Assessment" roll of the District with all non-ad valorem assessment rolls, merge said rolls with the tax roll, prepare a collection roll and prepare a combined notice (the tax notice) for both ad valorem taxes and non-ad valorem special assessments for all levying authorities within the county political subdivision, pursuant to sections 197.3632 and 197.3635, Florida Statutes, and its successor provisions, and any applicable rules, and their successor rules, promulgated by the Department of Revenue, and in accordance with any specific ordinances or resolutions adopted by district, so long as said ordinances and resolutions shall themselves each and every one clearly state intent to use the uniform method for collecting such assessments and so long as they are further not inconsistent with, or contrary to, the provisions of sections 197.3632 and 197.3635, Florida Statutes, and their successor provisions, and any applicable rules.

2. Tax Collector shall collect the Assessments of District as certified by the Chair of the Charles Cove Community Development District or his or her designee, to the Tax Collector no later than 15 September of each calendar year on compatible electronic medium, tied to the property identification number for each parcel, and in the format used in July by the Property

Appraiser for the ad valorem rolls submitted to the Department of Revenue, using, DR Form 408, and free of errors or omissions.

3. The Tax Collector agrees to cooperate with District in implementation of the uniform methodology for collecting Assessments pursuant to sections 197.3632 and 197.3635, Florida Statutes, and any successor provisions and applicable rules. The Tax Collector shall not accept any non-ad valorem assessment roll for the Assessments of District that is not officially, timely and legally certified to the Tax Collector pursuant to Chapter 197, Florida Statutes, and Rule 12D-18, Florida Administrative Code.

4. If the Tax Collector discovers errors or omissions on such roll, Tax Collector may request District to file a corrected roll or a correction of the amount of any assessment and District shall bear the cost of any such error or omission.

5. If Tax Collector determines that a separate mailing is authorized pursuant to section 197.3632(7), Florida Statutes, and any applicable rules promulgated by the Department of Revenue, and any successor provision to said law or rules, the Tax Collector shall either mail a separate notice of the particular non-ad valorem special assessment ("Assessment") or shall direct District to mail such a separate notice. In making this decision, the Tax Collector shall consider all costs to District and to the taxpayers of such a separate mailing as well as the adverse effect to the taxpayers of delay in multiple notices. If such a separate mailing is effected, District shall bear all costs associated with the separate notice for the non-ad valorem special assessment that could not be merged, upon timely billing by the Tax Collector.

## SECTION VII

### Entire Agreement

1. The parties shall perform all their obligations under this agreement in accordance with good faith and prudent practice.

2. This agreement constitutes the entire agreement between the parties with respect to the subject matter contained herein and may not be amended, modified or rescinded, unless otherwise provided in this Agreement, except in writing and signed by all the parties hereto. Should any provision of this Agreement be declared to be invalid, the remaining provisions of this Agreement shall remain in full force and effect, unless such provision found to be invalid alter substantially the benefits of the Agreement for either of the parties or renders the statutory and regulatory obligations unperformable.

3. This Agreement shall be governed by the laws of the State of Florida.

4. Written notice shall be given to the parties at the following addresses, or such other place or person as each of the parties shall designate by similar notice:



**Charles Cove  
Community Development District**

**Landscaping Proposals**

**Charles Cove  
Community Development District**

**Down to Earth**



# DOWN TO EARTH

LANDSCAPE & IRRIGATION

## Landscape Maintenance Proposal

Attn: Charles Cove Homeowners Association  
c/o D.R. HORTON CENTRAL FLORIDA  
6200 Lee Vista Blvd. Ste. 400  
Orlando, FL 32822

Submitted By: Down To Earth

### Charles Cove HOA Phase 1A, 1B and 1C

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#### Landscape Maintenance Summary

##### Phase 1A

Basic Maintenance	\$ 45,446.86	Annually
Irrigation Inspection	\$ 4,433.84	Annually
Fertilization/Pest Control	\$ 5,542.30	Annually
<b>Total Annually</b>	<b>\$ 55,423.00</b>	
<b>Total Monthly</b>	<b>\$ 4,618.58</b>	

##### Phase 1B

Basic Maintenance	\$ 9,359.73	Annually
Irrigation Inspection	\$ 913.14	Annually
Fertilization/Pest Control	\$ 1,141.43	Annually
<b>Total Annually</b>	<b>\$ 11,414.30</b>	
<b>Total Monthly</b>	<b>\$ 951.19</b>	

**Phase 1C**

<b>Basic Maintenance</b>	<b>\$ 6,164.51</b>	<b>Annually</b>
<b>Irrigation Inspection</b>	<b>\$ 601.42</b>	<b>Annually</b>
<b>Fertilization/Pest Control</b>	<b>\$ 751.77</b>	<b>Annually</b>
<b>Total Annually</b>	<b>\$ 7,157.70</b>	
<b>Total Monthly</b>	<b>\$ 626.48</b>	

<b>Grand Total Annually</b>	<b>\$ 74,355.00</b>
<b>Grand Total Monthly</b>	<b>\$ 6,196.25</b>

\*(Based on Landscape plans for Phase 1A, 1B and 1C, dated June 14, 2019. Does not include Amenity Center. Pricing may be subject to change. Irrigation repairs not included)

**Additional Items**

<b>Mulch</b>	<b>\$45.00 per cubic yard</b>
<b>4" Seasonal Annuals (4 times/year)</b>	<b>\$2.00 each</b>
<b>Palm Trimming</b>	<b>Up to 15' included</b>
	<b>Over 15' \$35.00 each</b>

## Landscape Maintenance Agreement

THIS LANDSCAPE MAINTENANCE AGREEMENT ("Agreement") dated this \_\_\_\_\_ day of \_\_\_\_\_ 2020, and between, **Charles Cove Homeowners Association** hereinafter referred to as, "Customer" or "Association"), and **Down To Earth** (hereinafter referred to as "**Contractor**").

1. **Scope of Work:** Contractor shall furnish all labor, materials, and necessary equipment to maintain the grounds at **Charles Cove Homeowners Association** for three (3) year period commencing \_\_\_\_\_ and ending \_\_\_\_\_. The contract shall automatically renew for two additional one (1) year periods. The contract amount shall increase by 3% for each year of the contract. In fulfillment of its obligation, Contractor shall use its best efforts to perform the Grounds Maintenance specifications attached as Exhibit "A" and specifically incorporated herein. In the event that the performance by Contractor shall be interrupted or delayed by any occurrences not occasioned by Contractor, such as acts of God, the Contractor shall be excused from such performance for such a period of time as is reasonably necessary after such occurrence to remedy the effects thereof.
2. **Indemnification:** Contractor shall indemnify and hold harmless the Customer from any and all injuries, damages, causes of action or claims to the extent they are caused by acts, omissions or negligence on the part of Contractor, its agents, subcontractor, employees, or others acting on behalf of Contractor, in the performance of its obligations under this Agreement.
3. **Liability Insurance:** Contractor, for itself, its subcontractors, agents and employees, shall carry liability and personal insurance with a responsible insurance company qualified to do business in the state of Florida. The limits of such insurance coverage shall be at least two million dollars (\$2,000,000) per occurrence for liability due to injury to or death of a person or persons and at least five million dollars (\$5,000,000) for public liability due to property damage and at least two million dollars (\$2,000,000) per occurrence in Contractor pollution liability. Contractor shall additionally provide Workers' Compensation Insurance on behalf of each of its employees or laborers working on the property in accordance with all applicable laws. Such insurance shall remain in effect during the entire term of this Agreement. Contractor shall deliver to the Customer an insurance certificate evidencing such insurance prior to the signing of this contract.
4. **Standard of Performance:** Contractor shall use due care, skill and diligence in the performance of its obligations under this Agreement and shall perform all of its obligations in its best workmanlike manner and in accordance with the accepted standards for professional landscape contractors. All materials used in performing any obligation under this Agreement shall be of first quality and shall be used strictly in accordance with manufacturer's specifications.
5. **Time:** Time is of the essence in performing the obligations under this Agreement.
6. **Independent Contractor Relationship:** All work performed by Contractor under this Agreement shall be as an independent contractor, and in no way shall Contractor be considered to be an employee of this associations.

7. **Price and Payment Terms:** Contractor shall be paid on a monthly basis. On the twentieth (20<sup>th</sup>) day of each month, the Contractor shall tender to the Customer a bill or invoice for those services rendered during the current month, which shall be paid by the Customer by the first day of the following month. Both parties hereby acknowledge that if all the grounds maintenance services are performed in accordance with the Grounds Maintenance Specifications attached hereto as "Exhibit A," customer shall remit Contractor a monthly fee of **\$6,196.25.**
8. **Termination:** Given the nature of the work contemplated by this Agreement, the parties acknowledge that conditions change due to the natural growing cycle, weather patterns, wear and tear of the grounds, and other causes, both foreseen and unforeseen. As a result, should Customer believe that conditions exist that would give it cause to terminate this Agreement, Customer shall promptly (within 24 hours) notify Contractor and give Contractor an opportunity to inspect such condition. Customer acknowledges that it shall have an affirmative obligation to photograph any condition that it believes would give it cause to terminate this Agreement within 24 hours of discovery of that condition and that the failure to do so shall constitute spoliation of evidence. The Customer and Contractor may terminate this agreement with cause upon ninety (90) days written notice to the other party.
9. **Notices:** Any notice required to be sent to Customer or Contractor under this Agreement shall be sent to the parties at the following address unless otherwise specified:

**Customer:** Charles Cove Homeowners Association  
c/o D.R. HORTON CENTRAL FLORIDA  
6200 Lee Vista Blvd. Ste. 400  
Orlando, FL 32822

**Contractor:** Down To Earth  
2701 Maitland Center Parkway  
Suite 200  
Maitland, Florida 32751  
Phone: 321-263-2700  
Fax: 352-385-7229  
[www.dteLandscape.com](http://www.dteLandscape.com)

10. **Governing Law and Binding Effect; Venue.** This Agreement and the interpretation and enforcement of the same will be governed by and construed in accordance with the laws of the State of Florida and will be binding upon, inure to the benefit of, and be enforceable by the parties hereto as well as their respective heirs, personal representatives, successors and assigns. Venue for all actions arising from this Agreement shall lie in Lake County, Florida.
11. **Integrated Agreement, Waiver and Modification.** This Agreement represents the complete and entire understanding and agreement between the parties hereto with regard to all matters involved in this transaction and supersedes any and all prior or contemporaneous agreements, whether written or oral. No agreements or provisions, unless incorporated herein, will be binding on either party hereto. This Agreement may not be modified or amended nor may any covenant, agreement, condition, requirement, provision, warranty or obligation contained herein be waived, except in writing signed by both parties or, in the event that such modification, amendment or waiver is for the benefit of one of the parties hereto and to the detriment of the other, then the same must be in writing signed by the party to whose detriment the modification, amendment or waiver inures.

12. **Litigation and Attorneys' Fees.** In the event it will be necessary for either party to this Agreement to bring suit to enforce any provision hereof or for damages on account of any breach of this Agreement or of any warranty, covenant, condition, requirement or obligation contained herein, the prevailing party in any such litigation, including appeals, will be entitled to recover from the other party, in addition to any damages or other relief granted as a result of such litigation, all costs and expenses of such litigation and reasonable attorneys' fees.
13. **Late Payment Charges.** Any unpaid installment of Contractor's fee or any expense reimbursement to Contractor due and payable under this Agreement will bear interest at the rate of eighteen percent (18%) per annum from its due date until paid in full. So long as any payment remains past due for a period in excess of ten (10) days, Contractor's obligations under this Agreement will be suspended until paid in full.
14. **Severability.** Each provision of this Agreement is severable from any and all other provisions of this Agreement. Should any provision of this Agreement be for any reason unenforceable, the balance shall nonetheless remain in full force and effect, but without giving effect to such provision.
15. **No Third-Party Beneficiaries.** The parties hereto intend that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the parties hereto. No future or present employee or customer of either of the parties nor their affiliates, successors or assigns or other person shall be treated as a third-party beneficiary in or under this Agreement.

**Phase 1A, 1B and 1C  
Charles Cove  
Homeowners Association**

**Down To Earth**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

ITS: \_\_\_\_\_

\_\_\_\_\_  
**Owner's Signature      Date**

\_\_\_\_\_  
**Signature                      Date**

**Exhibit "A"**  
**Service Agreement Specifications**

Between **Down To Earth** (herein "Contractor" or "DTE") and **Charles Cove Homeowners Association** the services to be performed hereunder for the Basic Monthly Fee are set forth below. Any work performed in addition to these services will be separately invoiced as provided in this Agreement.

**LANDSCAPE MAINTENANCE PROGRAM**

**I. TURF GRASS SPECIFICATIONS**

**i. Mowing**

Mowing shall be performed as frequently as is required to maintain a height level as outlined below with power lawn mowers of sufficient horsepower to leave a neat, clean appearance. (42 cuts/yr., minimum)

Mower blades will be kept sharp to prevent the tearing of grass blades.

Various mowing patterns will be employed to insure the even distribution of clippings and to prevent ruts in the turf caused by mowers.

St. Augustine and Bahia turf should be maintained at a mowing height of 3 1/2" to 4 1/2" in height, with no more than 1/2 of leaf blade removed during mowing.

All Bermuda Sod shall be maintained at a height of 1" (85 cuts per year minimum).

**ii. Edging**

**DTE** shall neatly edge and trim around all plant beds, curbs, streets, trees, and buildings, etc. **DTE** shall maintain the shape and configuration of all planting beds.

All walks shall be blown or vacuumed after edging to maintain a clean, well-groomed appearance.

All grass runners to be removed after edging to maintain mulch areas free of weeds or encroaching grass.

Frequency of edging shall correspond to frequency of turf mowing.

**iii. Trimming**

Areas agreed to be inaccessible to mowing machinery will be maintained with string trimmers, or as environmental conditions permit.

Frequency of string trimming will correspond to frequency of turf maintenance with the exception of lake banks, roadside drainage ditches, and Bahia turf areas.

**iv. Debris Removal**

Each area prior to mowing will be patrolled for trash and other debris to clean area and reduce risk of flying debris during mowing. **DTE** shall not be obligated to clear areas of excessive trash around dumpsters and dock areas (i.e. Styrofoam peanuts).

All areas littered in the landscape maintenance process will be swept by hand, power blower, vacuum, as conditions permit, and transported to a dumping facility on site.

Removal of all landscape debris generated on the Property during landscape maintenance is the sole responsibility of **DTE**, at no additional expense to client.

**v. Fertilization**

A preliminary turf fertilization specification and schedule is as follows: Turf shall be fertilized four (4) times per year using a premium turf fertilizer with minor elements. Each application shall consist of 1.0 lb. of nitrogen per 1,000 sq. ft. of turf. Additionally, **DTE** shall apply a weed & feed in the spring and in the fall.

All sidewalks, roads, curbs, and patios will be swept clean of any granular fertilizer after application to minimize staining.

**vi. Insect & Disease Control**

Treatment of turf areas for infestation or disease shall be the responsibility of **DTE**.

**DTE** will implement an integrated Pest Management Program to minimize excessive use of pesticide and will rely heavily on continual monitoring of insect levels.

All products will be applied as directed by the manufacturer. **DTE** shall strictly comply with all state and federal regulations.

**DTE** employs an active certified Pest Control License issued through the Florida Department of Agriculture and Consumer Services.

**II. IRRIGATION**

**DTE** shall be responsible for the operation of the irrigation systems within the designated areas. The irrigation systems shall be operated to provide watering frequencies sufficient to replace soil moisture below the root zone of all planted areas, including lawns, and taking into account the amount of rainfall that has occurred. **DTE** shall be responsible for controlling the amount of water used for irrigation and any damage that results from over watering and insufficient watering.

**DTE** shall fully inspect and operate all the irrigation zones on a monthly basis and immediately report any and all problems.

Damage caused by improper operation of the irrigation systems or damages incurred through Landscape operations shall be the responsibility of **DTE** and shall be repaired by **DTE** within twenty-four hours at no charge.

Irrigation components damaged by other than DTE due to construction, vandalism, or other causes shall be reported to the Customer. DTE, if authorized by the Customer, shall repair the damage at a fair market price or cost plus 15% basis.

### **III. PLANTING BEDS, SHRUBBERY, WOODY ORNAMENTAL, GROUNDCOVERS, ALL PALM TREES AND ALL OTHER TREE CARE SPECIFICATION**

#### **i. Pruning**

All pruning and thinning will have the distinct objective of retaining the plant's natural shape and the original design specifications, unless Customer requests otherwise.

Plants, hedges, shrubbery and trees obstructing pedestrian or automobile traffic and damaged plants, shall be pruned as needed. All areas are to be left free of clippings following pruning.

#### **ii. Tree Pruning**

Trees shall be maintained with clear trunks with lower branch elevations to 10 feet.

Tree interior sucker branches and dead wood shall be removed up to a height not exceeding 14' from ground. Moss removal and tree spraying may be performed at an additional charge.

#### **iii. Palm Pruning**

All palms up to a maximum height of 15' overall shall be pruned and shaped as required removing dead fronds and spent seed pods. Palms up to a maximum of height 15' overall are to be thoroughly detailed with all fronds trimmed to lateral position (not "hurricane-cut") two (2) times annually.

#### **iv. Crape Myrtle Pruning**

Crape Myrtles up to a maximum height of 15' overall must be pruned and shaped each February to promote vigorous blooming and maintain desired size and shape. Branches are to be individually trimmed back to wood no larger than 1/2" in diameter. All sucker branching, seedpods, and ball moss must also be removed.

#### **v. Edging and Trimming**

Groundcovers will be confined to plant bed areas by manual or chemical means, as environmental condition permits. "Weed eating" type edging will not be used around trees.

**vi. Insect and Disease control**

Plants will be treated chemically as required to effectively control insect infestation and disease as environmental, horticultural and weather conditions permit.

Customer shall provide **DTE** access to a water source on the Customer's property for insect and disease control purposes.

**vii. Weed Control**

Open ground between plants shall be maintained in a condition of acceptable weed density by manual or chemical means, as environmental, horticultural and weather conditions permit.

All mulch areas or plant beds shall be maintained in a condition of acceptable weed density.

**viii. Fertilization**

All preliminary shrubs, trees and plantings fertilization specification are as follows:

Plant beds, shrubs, woody ornamental and ground covers shall be fertilized two times per year as to maintain good appearance and color.

Preliminary Schedule: March & September.

All ornamentals will be fertilized utilizing a product with a balanced analysis (example 8-10-10) with a good minor nutrient content. Nitrogen source should consist of a minimum of 50% slow release product.

**ix. Mulching**

Mulch is not provided under this Agreement at the specified amount on page 1. All beds or otherwise bare ground areas and tree rings should be maintained with a layer of mulch sufficient to cover the bare ground. In the event Customer chooses to purchase additional mulching services, **DTE** shall provide all labor and materials necessary to perform this work, at the following price:

Pine Straw	\$ 6.50 bale
Cypress Mulch	\$45.00 cu yd
Pine Bark	\$45.00 cu yd

Mulch material shall consist of a premium grade of Pine Straw, Pine Bark Nuggets or Cypress Mulch. Owner must first approve all mulch operations.

#### IV. ANNUAL FLOWERS MAINTENANCE PROGRAM

The Annual Flowers maintenance program is not included in this Agreement unless specifically requested in writing as an additional charge. In the event Customer chooses to purchase the Annual Flower maintenance program, DTE shall furnish all material, labor, and necessary soil amendments for the installation and replacement of annual flowers at the price of \$2.00 per 4" pot.

##### Minimum Replacement Schedule

"Seasonal Color" - Four-inch pots, planted in the following schedule and spacing, to correspond with the installation period unless directed differently by Owner.

January - March	=	Annuals
April - June	=	Annuals
July - September	=	Annuals
October - December	=	Annuals

Proper annual spacing is as follows:

Annual Bedding Plants	8-10" spacing
Perennial Color	12-14" spacing

DTE will not be held responsible for any acts of God (i.e. wind damage, freeze damage).

The practice of covering plant material during a freeze to prevent damage is an extra charge to this contract and does not guarantee plant survival.

#### V. CONSTANT COLOR MAINTENANCE

DTE shall be responsible for the full and complete care of all "Seasonal Color" plantings; including watering, mulching, spraying, fertilization, pruning, etc., such that the Owner is guaranteed that every annual/perennial planting mass shall maintain a healthy, vigorous appearance and shall at all times provide the finest quality color planting possible.

#### VI. ADDITIONAL SERVICES

DTE shall provide services over and above the Contract Specifications with written authorization from the Owner. Rates for labor and materials shall be as follows:

Supervisor/Technician	\$55.00 per hour
Laborers	\$35.00 per hour
Materials	Cost + 15%

## **VII. REQUIRED ADDENDUMS / LANDSCAPE ALTERATIONS**

**DTE** shall not be responsible for damage caused to decorative concrete curbing unless an addendum to the contract is approved for this additional service request.

**DTE** shall not be responsible for damage caused to stucco on homes if a maintenance strip is not installed unless an addendum to the contract is approved for this additional service request.

**DTE** shall not be responsible for maintenance of additional landscape installed by the homeowner unless an addendum to the contract is approved for this additional service request.

**DTE** shall not be responsible for maintenance of backyards if a privacy fence is installed unless an addendum to the contract is approved for this additional labor service request which requires smaller push mowers and string trimming to entire perimeter fence.

**Charles Cove  
Community Development District**

**Floralawn**



## Landscape Maintenance Proposal Lake Charles

March 9, 2020

Lake Charles CDD  
Dexter Glasgow  
PFM Group

We sincerely appreciate the opportunity to propose how FloraLawn can help enhance the quality of your landscape. Our proposal includes integrating a custom maintenance plan to meet the needs and demands of your property while considering service expectations and community budget.

We hereby propose the following for your review:

### LANDSCAPE MAINTENANCE FOR COMMON GROUNDS

Service	Price Per Month	Price Per Year
Landscape Maintenance	\$4,410	\$52,920
Fertilization & Pest Control	\$340	\$4,080
Monthly Irrigation Inspection	\$300	\$3,600
<b><u>TOTAL</u></b>	<b><u>\$5,050</u></b>	<b><u>\$60,600</u></b>

### ADDITIONAL SERVICES

Service	Est. # of Units	Price Per Unit	TOTAL
Mulch	260 yds	\$45	\$11,700

# Landscape Maintenance Program

## Scope of Services

### TURF CARE

Mowing	<p>Rotary lawn mowers will be used with sufficient power to leave a neat, clean, and uncluttered appearance <u>42 times</u> per calendar year (Floratum) and <u>42 times</u> per calendar year (Bahia) depending on growing season and conditions. It is anticipated that mowing services shall be provided weekly during the growing season <u>April through October</u> and every other week during the non-growing season or as needed <u>November through March</u>.</p> <p>Bahia lake and pond banks will be mowed <u>24 times</u> per year consistent with <u>3 times</u> per month May through October and <u>1</u> time per month or as needed November through April.</p>
Trimming	<p>Turf areas inaccessible to mowers, areas adjacent to buildings, trees, fences, etc. will be controlled by a string trimmer. When string trimming, a continuous cutting height will be maintained to prevent scalping.</p>
Edging	<p>All turf edges of walks, curbs, and driveways shall be performed every mowing (<u>42 times</u> per year). A soft edge of all bed areas will be performed every other mowing (<u>21 times</u> per year). A power edger will be used for this purpose. A string trimmer may be used only in areas not accessible to a power edger.</p>
Fertilization	<p>St. Augustine/Floratum areas shall be fertilized with a commercial grade fertilizer <u>6 times</u> per year. Timing of applications will be adjusted to meet horticultural conditions.</p> <p>Bahia turf areas may be fertilized and treated with insect/disease control at an additional cost that is outside of the scope of work for this contract.</p>
Weed, Insect, & Disease Control	<p>Post-Emergent weed applications will be performed up to <u>4 times</u> per year between April 1st and October 30th. Pre-Emergent herbicides will be used <u>1 times</u> per year between November 1st to April 1st. Weed control applications are conducive to soil and air temperatures. FloraLawn will not be held responsible for the post emergent control of common grassy weeds like Crabgrass &amp; common Bermuda due to the absence of legal and selective post emergent herbicides for this use.</p> <p>Insect &amp; disease control (not preventative) measures are incorporated into each fertilization application. Infestations will be treated on an as needed basis throughout the year and the customer will be made aware of the actions taken as well as the chemicals used. Ant mounds will be treated as they appear, but contract pricing does not include products that guarantee year-long ant control. Products like Bayer's <i>Top Choice</i> or <i>Chipco Choice</i> that guarantee year-long ant control can be purchased outside the scope of this contract.</p>

### TREE, SHRUB, AND GROUNDCOVER CARE

Pruning	<p>All shrubs and trees (up to 10 feet) shall be pruned and shaped a maximum of <u>10 times</u> per year to ensure the following:</p> <ul style="list-style-type: none"><li>● Maintain all sidewalks to eliminate any overhanging branches or foliage which obstructs and/or hinders pedestrian or motor traffic.</li><li>● Retain the individual plant's natural form and prune to eliminate branches which are rubbing against walls and roofs.</li><li>● The removal of dead, diseased, or injured branches and palms will be performed as needed</li><li>● Ground covers and vines can maintain a neat and uniform appearance.</li></ul>
Weeding	<p>Weeds will be removed from all plant, tree, and flower beds <u>18 times</u> per year. This incorporates <u>2 times</u> per month during the growing season and <u>1 time</u> per month during the non-growing season on an as-needed basis. Manual hand pulling and chemical herbicides will be used as control methods.</p>
Fertilization	<p>Palms and hardwood trees will be fertilized <u>2 times</u> per year. Shrubs and groundcovers will be fertilized <u>4 times</u> per year. All fertilizations of tree, shrub, and groundcovers will be designed to address site specific nutritional needs. Timing of applications will be adjusted to meet horticultural conditions.</p>
Insect, & Disease Control	<p>All landscape beds shall be monitored and treated with appropriate pesticides as needed throughout the contract period. Plants will be monitored and issues addressed as necessary to effectively control insect infestation and disease as environmental, horticultural, and weather conditions permit. FloraLawn does not guarantee the complete absence of any insect or disease. We will, however, notify the customer and provide professional options at an additional cost outside the scope of this contract.</p>

## IRRIGATION

Overview	At the commencement of the contract, we will perform a complete irrigation evaluation and furnish the customer with a summary of each clock and zone operation. FloraLawn will submit recommendations for all necessary repairs and improvements to the system with an itemized cost for completing the proposed work. FloraLawn is not responsible for turf or plant loss due to water restrictions set by city, county, and/or water management district ordinances.
Inspections	All irrigation zones shall be inspected <u>1 time</u> per month to insure proper operation. All zones will be turned on to check for proper coverage and any broken irrigation components. Management shall receive a monitoring report after each monthly irrigation inspection.
Repairs	Any repairs that have been caused by FloraLawn will be repaired at no cost. All repairs to the irrigation system other than those caused by FloraLawn will be performed on a time and materials basis with the hourly labor rate being <u>\$60.00</u> per hour. Faults and failures of the irrigation system communicated to FloraLawn will be addressed in a fair and responsible time period, but FloraLawn cannot guarantee a specific time response.

## MISCELLANEOUS

Clean-Up	All non-turf areas will be cleaned with a backpack or street blower to remove debris created by landscaping process. All trash shall be picked up throughout the common areas before each mowing <u>42 times</u> per year. Construction debris or similar trash is not included. Trash shall be disposed of offsite.
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## OPTIONAL ITEMS & ADDITIONAL SERVICES

- Landscape design & installation
- Annual flower bed design & installation
- Thin & prune trees over 10' in height
- New plant installation
- Pump Maintenance
- Sodding and/or Seeding
- Mulching
- Prune Palms over 15' of clear trunk
- Leaf clean-up
- Pump repair & installation

**Charles Cove  
Community Development District**

**Prince & Sons**



**Charles Cove  
Community Development District**

**Resolution 2020-32,  
Re-setting the Date, Time and Location of  
the Public Hearing on the Proposed Budget  
for Fiscal Year 2019-2020**

## RESOLUTION 2020-32

### **A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT AMENDING RESOLUTION 2020-10 TO RE-SET THE DATE AND TIME OF THE PUBLIC HEARING ON THE PROPOSED BUDGET FOR FISCAL YEAR 2019/2020 UTILIZING COMMUNICATION MEDIA TECHNOLOGY; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Charles Cove Community Development District (“District”) is a local unit of special-purpose government established pursuant to the Uniform Community Development District Act of 1980, as codified in Chapter 190, *Florida Statutes*, for the purpose of planning, financing, constructing, operating and/or maintaining certain infrastructure improvements; and

**WHEREAS**, on December 11, 2019, at a duly noticed public meeting, the District’s Board of Supervisors (“Board”) adopted Resolution 2020-10, approving the proposed budget for Fiscal Year 2019/2020 and setting a public hearing on the proposed budget for March 18, 2020 at 1:00 p.m. at 43824 Highway 27, Davenport, Florida 33837; and

**WHEREAS**, on March 13, 2020, the Federal Government and various state and local governments declared a state of emergency in response and in effort to mitigate the effect of COVID-19, including the State of Florida and Polk County; and

**WHEREAS**, following the declared state of emergency and in connection therewith, the District Chairman and District Manager cancelled the District Board of Supervisors meeting and all scheduled public hearings scheduled for March 18, 2020; and

**WHEREAS**, consistent with Executive Orders 20-52 and 20-69 issued by Governor DeSantis on March 9, 2020, and March 20, 2020, respectively, and pursuant to Section 120.54(5)(b)2., *Florida Statutes*, the District Manager has re-scheduled the meeting and public hearing utilizing communications media technology.

**WHEREAS**, the Board desires to ratify the District Manager’s action in re-setting the public hearing.

### **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT:**

**SECTION 1. PUBLIC HEARING DATE, TIME AND LOCATION.** The District Manager’s actions in re-setting the public meeting and hearing utilizing communications media technology are hereby ratified. Resolution 2020-10 is hereby amended to reflect that the public hearing as declared in Resolution 2020-10 will be conducted using communications media technology as set forth below:

DATE: \_\_\_\_\_, 2020

HOUR: \_\_\_\_\_

TELEPHONIC CONFERENCING: 1-844-621-3956  
Code: 796 580 192#

The District Manager shall send a copy of this Resolution to Polk County upon adoption.

**SECTION 2. RESOLUTION 2020-10 OTHERWISE REMAINS IN FULL FORCE AND EFFECT.** Except as otherwise provided herein, all of the provisions of Resolution 2020-10 continue in full force and effect.

**SECTION 3. SEVERABILITY.** The invalidity or unenforceability 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.

**SECTION 4. EFFECTIVE DATE.** This Resolution shall take effect upon its passage and adoption by the Board.

**PASSED AND ADOPTED** this 3rd day of April, 2020.

ATTEST:

**CHARLES COVE COMMUNITY  
DEVELOPMENT DISTRICT**

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_

Its: \_\_\_\_\_

**Charles Cove  
Community Development District**

**Resolution 2020-33,  
Re-setting the Date, Time and Location  
of the Public Hearing on the Adoption of  
Amended and Restated Rules of Procedure**

**RESOLUTION 2020-33**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT AMENDING RESOLUTION 2020-11 TO RESET THE DATE, TIME AND LOCATION OF THE PUBLIC HEARING TO CONSIDER AND HEAR COMMENT ON THE ADOPTION OF AMENDED AND RESTATED RULES OF PROCEDURE; AUTHORIZING PUBLICATION OF NOTICE OF SUCH HEARING; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Charles Cove 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 the City of Lakeland, Florida; and

**WHEREAS**, the Board of Supervisors of the District (the “Board”) is authorized by Section 190.011(5), *Florida Statutes*, to adopt rules and orders pursuant to Chapter 120, *Florida Statutes*.

**WHEREAS**, on December 11, 2019, at a duly noticed public meeting, the District’s Board of Supervisors (“Board”) adopted Resolution 2020-11, setting a public hearing to consider and hear comment on the adoption of Amended and Restated Rules of Procedure for March 18, 2020 at 1:00 p.m. at 43824 Highway 27, Davenport, Florida 33837; and

**WHEREAS**, on March 13, 2020, the Federal Government and various state and local governments declared a state of emergency in response and in effort to mitigate the effect of COVID-19, including the State of Florida and Polk County; and

**WHEREAS**, following the declared state of emergency and in connection therewith, the District Chairman and District Manager cancelled the District Board of Supervisors meeting and all scheduled public hearings scheduled for March 18, 2020; and

**WHEREAS**, consistent with Executive Orders 20-52 and 20-69 issued by Governor DeSantis on March 9, 2020, and March 20, 2020, respectively, and pursuant to Section 120.54(5)(b)2., *Florida Statutes*, the District Manager has re-scheduled the meeting and public hearing utilizing communications media technology.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT:**

**SECTION 1. PUBLIC HEARING DATE, TIME AND LOCATION.** The District Manager’s actions in re-setting the public meeting and hearing utilizing communications media technology are hereby ratified. Resolution 2020-11 is hereby amended to reflect that the public

hearing as declared in Resolution 2020-10 will be conducted using communications media technology as set forth below:

DATE: \_\_\_\_\_, 2020

HOUR: \_\_\_\_\_

TELEPHONIC CONFERENCING: 1-844-621-3956  
Code: 796 580 192#

**SECTION 3. AUTHORIZED TO PUBLISH NOTICE.** The District Secretary is directed to publish notice of the hearing in accordance with Section 120.54, *Florida Statutes*.

**SECTION 4. SEVERABILITY.** The invalidity or unenforceability 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.

**SECTION 5. EFFECTIVE DATE.** This Resolution shall take effect upon its passage and adoption by the Board.

**PASSED AND ADOPTED** this 3<sup>rd</sup> day of April, 2020.

ATTEST:

**CHARLES COVE COMMUNITY  
DEVELOPMENT DISTRICT**

\_\_\_\_\_  
Secretary/Assistant Secretary

\_\_\_\_\_  
Vice/Chairperson, Board of Supervisors

**Charles Cove  
Community Development District**

**Resolution 2020-34,  
Re-setting the Date, Time and Location  
of the Public Hearing on the Adoption of  
Rules Relating to Parking and Parking  
Enforcement**

**RESOLUTION 2020-34**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT AMENDING RESOLUTION 2020-29 TO RESET THE DATE, TIME AND LOCATION OF THE PUBLIC HEARING TO DESIGNATE THE DATE, TIME AND PLACE OF A PUBLIC HEARING AND AUTHORIZATION TO PUBLISH NOTICE OF SUCH HEARING FOR THE PURPOSE OF ADOPTING RULES RELATING TO PARKING AND PARKING ENFORCEMENT.**

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

**WHEREAS**, the Board of Supervisors of the District (“Board”) is authorized by Sections 190.011(5) and 190.035, *Florida Statutes*, to adopt rules, orders, rates, fees and charges pursuant to Chapter 120, *Florida Statutes*.

**WHEREAS**, on January 15, 2020, at a duly noticed public meeting, the District’s Board of Supervisors (“Board”) adopted Resolution 2020-29, setting a public hearing to consider and hear comment on the adoption of Rules Relating to Parking and Parking Enforcement for March 18, 2020 at 1:00 p.m. at 43824 Highway 27, Davenport, Florida 33837; and

**WHEREAS**, on March 13, 2020, the Federal Government and various state and local governments declared a state of emergency in response and in effort to mitigate the effect of COVID-19, including the State of Florida and Polk County; and

**WHEREAS**, following the declared state of emergency and in connection therewith, the District Chairman and District Manager cancelled the District Board of Supervisors meeting and all scheduled public hearings scheduled for March 18, 2020; and

**WHEREAS**, consistent with Executive Orders 20-52 and 20-69 issued by Governor DeSantis on March 9, 2020, and March 20, 2020, respectively, and pursuant to Section 120.54(5)(b)2., *Florida Statutes*, the District Manager has re-scheduled the meeting and public hearing utilizing communications media technology.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT:**

**SECTION 1. PUBLIC HEARING DATE, TIME AND LOCATION.** The District Manager’s actions in re-setting the public meeting and hearing utilizing communications media technology are hereby ratified. Resolution 2020-29 is hereby amended to reflect that the public hearing as declared in Resolution 2020-29 will be conducted using communications media technology as set forth below:

DATE: \_\_\_\_\_, 2020

HOUR: \_\_\_\_\_

TELEPHONIC CONFERENCING: 1-844-621-3956  
Code: 796 580 192#

**SECTION 3. AUTHORIZED TO PUBLISH NOTICE.** The District Secretary is directed to publish notice of the hearing in accordance with Section 120.54, *Florida Statutes*.

**SECTION 4. SEVERABILITY.** The invalidity or unenforceability 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.

**SECTION 5. EFFECTIVE DATE.** This Resolution shall take effect upon its passage and adoption by the Board.

**PASSED AND ADOPTED** this 3<sup>rd</sup> day of April 2020.

ATTEST:

**CHARLES COVE COMMUNITY  
DEVELOPMENT DISTRICT**

\_\_\_\_\_  
Secretary/Assistant Secretary

\_\_\_\_\_  
Vice/Chairperson, Board of Supervisors

**EXHIBIT A:** Rules Relating to Parking and Parking Enforcement

**EXHIBIT A:** Rules Relating to Parking and Parking Enforcement

**CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT**  
***RULES RELATING TO PARKING AND PARKING ENFORCEMENT***

\_\_\_\_\_  
In accordance with Chapter 190, *Florida Statutes*, and on \_\_\_\_\_, 2020 at a duly noticed public meeting, the Board of Supervisors of the Charles Cove Community Development District (“District”) adopted the following policy to govern parking and

**parking enforcement on certain District property. This policy repeals and supersedes all prior rules and/or policies governing the same subject matter.**

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**SECTION 1. INTRODUCTION.** The District finds that parked Commercial Vehicles, Vehicles, Vessels and Recreational Vehicles (hereinafter defined) on certain of its property (hereinafter defined) cause hazards and danger to the health, safety and welfare of District residents, paid users and the public. This policy is intended to provide the District's residents and paid users with a means to park Vehicles of overnight guests in the District's Overnight Parking Areas and remove such Commercial Vehicles, Vehicles, Vessels and Recreational Vehicles from District designated Tow-Away Zones consistent with this Policy and as indicated on **Exhibit A** attached hereto. This Policy authorizes overnight parking in designated areas, which areas are identified in **Exhibit B** attached hereto, subject to obtaining an Overnight Parking Permit.

**SECTION 2. DEFINITIONS.**

- A. *Commercial Vehicle.* Any mobile item which normally uses wheels, whether motorized or not, that (i) is titled, registered or leased to a company and not an individual person, or (ii) is used for business purposes even if titled, registered or leased to an individual person.
- B. *Vehicle.* Any mobile item which normally uses wheels, whether motorized or not.
- C. *Vessel.* Every description of watercraft, barge, or airboat used or capable of being used as a means of transportation on water.
- D. *Recreational Vehicle.* A vehicle designed for recreational use, which includes motor homes, campers and trailers relative to same.
- E. *Parked.* A Vehicle, Vessel or Recreational Vehicle left unattended by its owner or user.
- F. *Tow-Away Zone.* District property in which parking is prohibited and in which the District is authorized to initiate a towing and/or removal action.
- G. *Overnight.* Between the hours of 10:00 p.m. and 6:00 a.m. daily.

**SECTION 3. DESIGNATED PARKING AREAS.** Those areas within the District's boundaries depicted in **Exhibit A**, which is incorporated herein by reference, are hereby established as "Tow-Away Zones" for all Commercial Vehicles, Vessels, Recreational Vehicles and improperly permitted Vehicles, as set forth in Sections 4 and 5 herein ("**Tow Away Zone**"). Vehicles may be parked overnight on District property, only as indicated on **Exhibit B**, attached hereto ("**Overnight Parking Areas**") and with a pre-approved permit as set forth in this Policy.

**SECTION 4. ESTABLISHMENT OF TOW-AWAY ZONES.** The areas set forth in **Exhibit A** attached hereto are declared a Tow Away Zone.

**SECTION 5. EXCEPTIONS.**

**A. OVERNIGHT PARKING PERMITS.** Residents may apply for an “Overnight Parking Permit” which will allow such resident and/or guest to park in the Overnight Parking Areas after-hours, and overnight. Overnight Parking Permit requests will be granted in accordance with the following:

1. Permits may not exceed seven (7) consecutive days. In no event may an Overnight Parking Permit be granted for more than fourteen (14) nights per year for one automobile, as identified by the automobile’s license plate number.
2. Residents and paid users interested in an Overnight Parking Permit may submit a request to the District Manager or his/her designee which includes the following information:
  - i. The name, address and contact information of the owner of the vehicle to which the permit will be granted;
  - ii. The make/model and license plate of the vehicle to which the permit will apply;
  - iii. The reason and special terms (if any) for the Overnight Parking Permit; and
  - iv. The date and time of the expiration of the requested Overnight Parking Permit.

It is the responsibility of the person(s) requesting an Overnight Parking Permit to secure all necessary documentation and approvals. Failure to secure all necessary documentation and approvals will result in the towing and/or removal of the Vehicle from the District’s property. Improperly permitted Vehicles parked in the Tow Away Zones will be subject to towing.

3. Upon receipt of all requested documentation, as set forth above, the District Manager or his/her designee will issue an Overnight Parking Permit to the resident. Overnight Parking Permits will be granted by way of written correspondence by the District Manager or his/her designee. No verbal grants of authority will be issued or be held valid.
  4. The Overnight Parking Permit must be displayed on the bottom left side of the Vehicle windshield.
- B. VENDORS/CONTRACTORS.** The District Manager or his/her designee may authorize vendors/consultants in writing to park company vehicles in order to facilitate District business. All vehicles so authorized must be identified by an Overnight Parking Pass.

- C. DELIVERY VEHICLES AND GOVERNMENTAL VEHICLES.** Delivery vehicles, including but not limited to, U.P.S., Fed Ex, moving company vehicles, and lawn maintenance vendors may park on District property while actively engaged in the operation of such businesses. Vehicles owned and operated by any governmental unit may also park on District Property while carrying out official duties.

Any Vehicle parked on District Property, including District roads, must do so in compliance with all laws, ordinances and codes.

**SECTION 6. TOWING/REMOVAL PROCEDURES.**

- A. SIGNAGE AND LANGUAGE REQUIREMENTS.** Notice of the Tow-Away Zones shall be approved by the District's Board of Supervisors and shall be posted on District property in the manner set forth in Section 715.07, *Florida Statutes*. Such signage is to be placed in conspicuous locations, in accordance with Section 715.07, *Florida Statutes*.
- B. TOWING/REMOVAL AUTHORITY.** To effect towing/removal of a Commercial Vehicle, Vehicle, Vessel or Recreational Vehicle, the District Manager or his/her designee must verify that the subject Commercial Vehicle, Vehicle, Vessel or Recreational Vehicle was not authorized to park under this rule in the Overnight Parking Areas and then must contact a firm authorized by Florida law to tow/remove Commercial Vehicle, Vehicles, Vessels and Recreational Vehicles for the removal of such unauthorized vehicle at the owner's expense. The Commercial Vehicle, Vehicle, Vessel or Recreational Vehicle shall be towed/removed by the firm in accordance with Florida law, specifically the provisions set forth in Section 715.07, *Florida Statutes*. Notwithstanding the foregoing, a towing service retained by the District may tow/remove any vehicle parked in the Tow-Away Zone
- C. AGREEMENT WITH AUTHORIZED TOWING SERVICE.** The District's Board of Supervisors is hereby authorized to enter into and maintain an agreement with a firm authorized by Florida law to tow/remove unauthorized vehicles and in accordance with Florida law and with the policies set forth herein.

**SECTION 7. PARKING AT YOUR OWN RISK.** Vehicles, Vessels or Recreational Vehicles may be parked on District property pursuant to this rule, provided however that the District assumes no liability for any theft, vandalism and/ or damage that might occur to personal property and/or to such vehicles.

**EXHIBIT A – *Tow Away Zone***

**EXHIBIT B - *Map of Overnight Parking Areas***

Effective date: \_\_\_\_\_, 2020

**EXHIBIT A – *Tow Away Zone***

**EXHIBIT B - *Map of Overnight Parking Areas***

**Charles Cove  
Community Development District**

**Resolution 2020-35,  
Delegation Award Resolution**

**RESOLUTION 2020-35**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT SUPPLEMENTING ITS RESOLUTION 2020-25 BY AUTHORIZING THE ISSUANCE OF ITS CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020 (2020 ASSESSMENT AREA) IN A PRINCIPAL AMOUNT OF NOT EXCEEDING \$7.0 MILLION FOR THE PRINCIPAL PURPOSE OF ACQUIRING AND CONSTRUCTING ASSESSABLE IMPROVEMENTS; DELEGATING TO THE CHAIRMAN OR VICE CHAIRMAN OF THE BOARD OF SUPERVISORS OF THE DISTRICT, SUBJECT TO COMPLIANCE WITH THE APPLICABLE PROVISIONS HEREOF, THE AUTHORITY TO AWARD THE SALE OF SUCH 2020 BONDS TO MBS CAPITAL MARKETS, LLC, BY EXECUTING AND DELIVERING TO SUCH UNDERWRITER A BOND PURCHASE CONTRACT AND APPROVING THE FORM THEREOF; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF THE FIRST SUPPLEMENTAL TRUST INDENTURE; APPOINTING U.S. BANK NATIONAL ASSOCIATION AS THE TRUSTEE, BOND REGISTRAR AND PAYING AGENT FOR SUCH 2020 BONDS; MAKING CERTAIN FINDINGS; APPROVING FORM OF SAID 2020 BONDS; APPROVING THE FORM OF THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND AUTHORIZING THE USE BY THE UNDERWRITER OF THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND THE LIMITED OFFERING MEMORANDUM AND THE EXECUTION OF THE LIMITED OFFERING MEMORANDUM; APPROVING THE FORM OF THE CONTINUING DISCLOSURE AGREEMENT AND AUTHORIZING THE EXECUTION THEREOF; AUTHORIZING CERTAIN OFFICIALS OF CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT AND OTHERS TO TAKE ALL ACTIONS REQUIRED IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SAID 2020 BONDS; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT TO SAID 2020 BONDS; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, Charles Cove Community Development District (the "District") is authorized by Florida Statutes, Chapter 190 (the "Act") and Ordinance No. 19-1666 of the City of Haines City, Florida, (the "Ordinance"), to issue its bonds for the purpose of acquiring and constructing assessable improvements all as provided in the Act and the Ordinance; and

**WHEREAS**, the District is authorized by the Act to make payments of principal, interest, and premium, if any, with respect to its bonds by levying and collecting special assessments on property located within the District and specially benefited by the assessable improvements to be financed with certain proceeds of its bonds; and

**WHEREAS**, the District pursuant to its Resolution 2020-25 (the "First Resolution") authorized the issuance of its not exceeding \$19,500,000 principal amount of its special assessment revenue bonds (the "Bonds") in separate series for the purposes set forth in said First Resolution and approved the form of the Master Indenture (hereinafter defined) in substantially the form attached to the First Resolution; and

**WHEREAS**, the District has not previously issued any Bonds; and

**WHEREAS**, the Bonds were validated by final judgment of the Circuit Court in and for Polk County, Florida, and a certificate of no appeal from such final judgment will have been entered prior to the issuance of the 2020 Bonds (defined below); and

**WHEREAS**, the District now desires to supplement the First Resolution, to authorize the issuance of and award the sale of its Special Assessment Revenue Bonds, Series 2020 (2020 Assessment Area) (the "2020 Bonds") in a principal amount not exceeding \$7.0 Million, to approve the Supplemental Indenture (hereinafter defined) and to provide for various other matters relating to the issuance of the 2020 Bonds; and

**WHEREAS**, the Board of Supervisors of the District (the "Board") has received from MBS Capital Markets, LLC (the "Underwriter") a proposal in the form of a Bond Purchase Contract (the "Contract") for the purchase of the 2020 Bonds and the Board has determined that acceptance of such proposal and the sale of the 2020 Bonds to the Underwriter is in the best interest of the District for the reasons hereafter indicated;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT**, as follows:

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

**SECTION 2. Authorization.** There is hereby authorized to be issued the 2020 Bonds in a principal amount not exceeding \$7,000,000. The 2020 Bonds shall be issued under and secured by that Master Trust Indenture in substantially the form approved by the First Resolution (the "Master Indenture") as supplemented by that First Supplemental Trust Indenture (the "Supplemental Indenture") both by and between the District and U.S. Bank National Association, as trustee (the "Trustee") (the Master Indenture and the Supplemental Indenture are referred to collectively as the "Indenture"). The proceeds of the 2020 Bonds shall be used for the purposes set forth in the Supplemental Indenture and the Limited Offering Memorandum (hereinafter defined).

**SECTION 3. Approval of Supplemental Indenture.** The Supplemental Indenture is hereby approved in substantially the form set forth as part of **Exhibit A** hereto and the Chairman or the Vice Chairman of the Board are hereby authorized and directed to execute and deliver such Supplemental Indenture on behalf of and in the name of the District and the Secretary or any Assistant Secretary of the Board is hereby authorized to attest such execution, with such additions and deletions therein as may be made and approved by the Chairman or the Vice Chairman executing the same, such execution to be conclusive evidence of such approval. The

Trustee is hereby appointed to serve as Trustee, Bond Registrar and Paying Agent under such Supplemental Indenture.

**SECTION 4. Negotiated Sale.** The Board hereby determines that a negotiated sale of the 2020 Bonds to the Underwriter is in the best interest of the District because of prevailing market conditions, because delays caused by soliciting competitive bids could adversely affect the District's ability to issue and deliver the 2020 Bonds at presently favorable interest rates, and because the nature of the security for the 2020 Bonds and the sources of payment of debt service on the 2020 Bonds require the participation of an underwriter in structuring the bond issue.

**SECTION 5. Contract Approved.** The Board hereby approves the Contract submitted by the Underwriter in substantially the form attached as **Exhibit B** hereto. The Chairman or Vice Chairman of the Board is hereby authorized to execute the Contract and to deliver the Contract to the Underwriter with such changes, amendments, modifications, omissions and additions as may be approved by the executing Chairman or Vice Chairman; provided that (i) the principal amount of the 2020 Bonds shall not exceed \$7,000,000; (ii) the interest rate on none of the 2020 Bonds will exceed the maximum interest rate allowed under applicable Florida law without regard to any waiver of such maximum rate; (iii) the Underwriter's discount shall not exceed two percent (2.0%) of the principal amount of the 2020 Bonds; (iv) the 2020 Bonds shall be subject to optional redemption no later than May 1, 2033 at a Redemption Price not in excess of 100% of the principal amount to be redeemed plus accrued interest to the redemption date; and (v) the final maturity of the 2020 Bonds shall be no later than May 1, 2050.

**SECTION 6. Preliminary Limited Offering Memorandum and Limited Offering Memorandum.** The District hereby approves the Preliminary Limited Offering Memorandum in substantially the form attached hereto as **Exhibit C** (the "Preliminary Limited Offering Memorandum") and authorizes its distribution and use by the Underwriter in connection with the offering for the sale of the 2020 Bonds. If between the date hereof and the mailing of the Preliminary Limited Offering Memorandum it is necessary to make insertions, modifications and changes to the Preliminary Limited Offering Memorandum, the Chairman or Vice Chairman is hereby authorized to approve such insertions, changes and modifications, and, the Chairman or Vice Chairman is hereby authorized to deem the Preliminary Limited Offering Memorandum "final" within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") under the Securities Exchange Act of 1934, in the form as mailed and in furtherance thereof to execute a certificate evidencing same. The preparation of a final Limited Offering Memorandum is hereby approved and the Chairman or Vice Chairman is hereby authorized to execute such final Limited Offering Memorandum to be dated the date of the award of the 2020 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 2020 Bonds. The Limited Offering Memorandum shall be substantially in the form of the final Preliminary Limited Offering Memorandum, with such changes as shall be approved by the Chairman or Vice Chairman as necessary to conform to the details of the 2020 Bonds and such other insertions, modifications and changes as may be approved by the Chairman or Vice Chairman. The execution and delivery of the Limited Offering Memorandum by the Chairman or Vice Chairman shall constitute evidence of the approval thereof. The District hereby authorizes the use of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and the information contained therein in connection with the offering and sale of the 2020 Bonds.

**SECTION 7. Form of 2020 Bonds.** The 2020 Bonds shall be in substantially the form as set forth in the exhibit to the Supplemental Indenture, with such additions, deletions and other changes thereto as the officials of the Board executing the 2020 Bonds shall approve, such approval to be conclusively evidenced by the execution of the 2020 Bonds (by manual or facsimile signature) by such officials. The Board hereby authorizes and approves the use of a facsimile of the District seal on the 2020 Bonds.

**SECTION 8. Continuing Disclosure Agreement.** The form and content of the Continuing Disclosure Agreement (the "Disclosure Document") relating to the 2020 Bonds attached hereto as **Exhibit D** is hereby approved. The Chairman or Vice Chairman and the Secretary or any Assistant Secretary are hereby authorized to execute on behalf of the District the Disclosure Document in substantially the form attached hereto, with such additions, deletions, and other changes as may be necessitated by applicable law, this Resolution and the Contract as such officers may approve (such approval to be conclusively evidenced by their execution of the Disclosure Document).

**SECTION 9. Open Meetings.** It is hereby found and determined that all official acts of this Board concerning and relating to the issuance, sale, and delivery of the 2020 Bonds, including but not limited to adoption of this Resolution, and all deliberations of the members of the Board that resulted in such official acts, were taken in meetings of the Board open to the public ("Open Meetings"), in compliance with all legal requirements including, but not limited to, the requirements of Section 286.011 Florida Statutes, as supplemented and/or amended by Executive Orders 20-52 and 20-69, as may be amended from time to time, issued by the Governor of Florida in connection with the state of emergency declared as a result of COVID-19. The Open Meetings were held for the necessary public purpose of considering matters related to the issuance of 2020 Bonds.

**SECTION 10. Other Actions.** The Chairman, the Vice Chairman, the Secretary, any Assistant Secretary and the District Manager of the District, and any authorized designee thereof (collectively, the "District Officers"), Akerman LLP, as Bond Counsel, Hopping Green & Sams, P.A., the District's General Counsel, and any other consultant or experts retained by the District, are hereby authorized and directed to take all actions necessary or desirable in connection with the issuance and delivery of the 2020 Bonds and the consummation of all transactions in connection therewith. The District Officers are hereby authorized and directed to execute all necessary or desirable certificates, documents, papers, and agreements necessary to the undertaking and fulfillment of all transactions referred to in or contemplated by the Supplemental Indenture, the Preliminary Limited Offering Memorandum, the Limited Offering Memorandum, this Resolution, the Disclosure Document and the Contract.

**SECTION 11. Approval of Prior Actions.** All actions taken to date by the members of the Board and the officers, agents, and employees of the District in furtherance of the issuance of the Bonds are hereby approved, confirmed and ratified.

**SECTION 12. Inconsistent Resolutions and Motions.** All prior resolutions of the Board inconsistent with the provisions of this Resolution are hereby modified, supplemented and amended to conform with the provisions herein contained and, except as so modified, supplemented and amended hereby, shall remain in full force and effect.

**SECTION 13. Severability.** If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.

**SECTION 14. Effective Date.** This Resolution shall become effective immediately upon its adoption.

ADOPTED this 18<sup>th</sup> day of March, 2020.

**CHARLES COVE COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Chairman

[SEAL]  
Attest:

By: \_\_\_\_\_  
Secretary

## EXHIBIT A

**FIRST SUPPLEMENTAL TRUST INDENTURE**  
**BETWEEN**  
**CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT**  
**AND**  
**U.S. BANK NATIONAL ASSOCIATION**  
**AS TRUSTEE**

**Dated as of April 1, 2020**

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

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**Exhibit "A"** The Series 2020 Bonds

**Exhibit "B"** Requisition for Series 2020 Bonds (Acquisition and Construction)

**Exhibit "C"** Description of 2020 Project

## **FIRST SUPPLEMENTAL TRUST INDENTURE**

THIS **FIRST SUPPLEMENTAL TRUST INDENTURE** (the "First Supplemental Indenture") dated as of April 1, 2020, from **CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT** (the "District") to **U.S. BANK NATIONAL ASSOCIATION**, as trustee (the "Trustee"), a national banking association authorized to accept and execute trusts of the character herein set out within the State of Florida. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Master Indenture (hereinafter defined).

**WHEREAS**, the District has entered into a Master Trust Indenture dated as of April 1, 2020 (the "Master Indenture"), with the Trustee to secure the issuance of its Charles Cove Community Development District Special Assessment Revenue Bonds (the "Bonds"), issuable in one or more Series from time to time; and

**WHEREAS**, pursuant to Resolution 2020-25 adopted by the Board of the District on December 11, 2019 (the "Bond Resolution"), the District has authorized the issuance of its not exceeding \$19,500,000 Charles Cove Community Development District Special Assessment Revenue Bonds, in one or more Series, and authorized the execution and delivery of the Master Indenture to secure the issuance of the Bonds; and

**WHEREAS**, the Bonds were validated by the Circuit Court of the Tenth Judicial Circuit of the State of Florida in and for Polk County, Florida in a final judgment rendered on March \_\_\_, 2020 and the appeal period from such final judgment has expired with no appeal being taken; and

**WHEREAS**, the District has not previously issued any Bonds; and

**WHEREAS**, the Board of the District has duly adopted resolutions pursuant to Sections 170.03, 170.07 and 170.08, Florida Statutes, defining assessable property to be benefited by the 2020 Project (hereinafter defined), defining the portion of the Cost of the 2020 Project with respect to which Series 2020 Assessments (hereinafter defined) will be imposed and the manner in which such Series 2020 Assessments shall be levied against such benefited property within the District, directing the preparation of an assessment roll calling for a public hearing of the District at which owners of property to be subject to the Series 2020 Assessments may be heard as to the propriety and advisability of undertaking the 2020 Project, as to the cost thereof, the manner of payment therefor, and the amount to be assessed against each property improved by the 2020 Project, and stating the intent of the District to issue the Series 2020 Bonds (as herein defined) secured by such Series 2020 Assessments to finance the costs of the acquisition and construction of the 2020 Project and the Board of the District has duly adopted a resolution, following a public hearing conducted in accordance with the Act, to fix and establish the Series 2020 Assessments and the benefited property (collectively the "Assessment Resolution"); and

**WHEREAS**, pursuant to the Bond Resolution, as supplemented by District Resolution 2020-03 the District has authorized the issuance, sale and delivery of its \$\_\_\_\_\_ Charles Cove Community Development District Special Assessment Revenue Bonds, Series 2020 (2020 Assessment Area) (the "Series 2020 Bonds") as a Series of Bonds under the Master Indenture

and authorized the execution and delivery of this First Supplemental Indenture (collectively with the Master Indenture, the "Indenture") to secure the issuance of the Series 2020 Bonds and to set forth the terms of the Series 2020 Bonds; and

**WHEREAS**, the District will apply the proceeds of the Series 2020 Bonds to: (i) finance the Cost of acquisition, construction, installation and equipping of a portion of the 2020 Project, which 2020 Project is further described in **Exhibit C** hereto (hereinafter, the "2020 Project"); (ii) pay certain costs associated with the issuance of the Series 2020 Bonds; (iii) to pay a portion of the interest accruing on the Series 2020 Bonds; and (iv) fund the 2020 Reserve Account as herein provided; and

**WHEREAS**, the execution and delivery of the Series 2020 Bonds and of this First Supplemental Indenture have been duly authorized by the Board of the District and all things necessary to make the Series 2020 Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations of the District and to make this First Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the 2020 Trust Estate (as hereinafter defined) have been done;

**NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS FIRST SUPPLEMENTAL TRUST INDENTURE WITNESSETH:**

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

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

**IN TRUST NEVERTHELESS**, except as in each such case may otherwise be provided in the Master Indenture, upon the terms and trusts in the Master Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the Series 2020 Bonds issued or to be issued under and secured by this First Supplemental Indenture, without preference, priority or distinction as to lien or otherwise, of any Series 2020 Bond over any other Series 2020 Bond by reason of priority in their issue, sale or execution;

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

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

## **ARTICLE I DEFINITIONS**

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

"Acquisition Agreement" shall mean any document, including any and all amendments thereto, pursuant to which the Developer conveys to the District any portion of the 2020 Project.

"Amortization Installments" shall mean the moneys required to be deposited in the Sinking Fund Account within the Debt Service Fund for the purpose of redeeming and paying when due any Term Bonds.

"Assessment Interest" shall mean the interest on Series 2020 Assessments received by the District which is pledged to the Series 2020 Bonds, other than Delinquent Assessment Interest.

"Assessment Principal" shall mean the principal amount of Series 2020 Assessments received by the District which are pledged to the Series 2020 Bonds, other than Delinquent Assessment Principal and Prepayment Principal.

"Assessment Proceedings" shall mean the proceedings of the District with respect to the establishment, levy and collection of the Series 2020 Assessments, including the Assessment Resolution and any supplemental proceedings undertaken by the District with respect to the Series 2020 Assessments.

"Beneficial Owner" shall mean the owners from time to time of the Series 2020 Bonds for federal income tax purposes.

"Bond Depository" shall mean the securities depository existing from time to time under Section 201 hereof.

"Bond Participants" shall mean those broker-dealers, banks and other financial institutions from time to time for which the Bond Depository holds Series 2020 Bonds as securities depository.

"Collateral Assignment" shall mean that certain document entitled \_\_\_\_\_ and dated the initial delivery date of the Series 2020 Bonds, between the District and the Developer, as amended from time to time.

"Completion Agreement" shall mean the document entitled \_\_\_\_\_ by and between the Developer and the District dated April \_\_\_\_, 2020.

"Continuing Disclosure Agreement" means that certain Continuing Disclosure Agreement dated the date of issuance and delivery of the Series 2020 Bonds, among the District and the Developer and joined in by the Trustee [and Dissemination Agent] (as defined therein), as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Delinquent Assessment Interest" shall mean Assessment Interest deposited with the Trustee after the date on which such Assessment Interest has become due and payable in accordance with applicable law or proceedings of the District.

"Delinquent Assessment Principal" shall mean Assessment Principal deposited with the Trustee after the date on which such Assessment Principal has become due and payable in accordance with applicable law or proceedings of the District.

"Developer" shall mean D.R. Horton, Inc., a Delaware corporation.

"DTC" shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

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

"Majority Owners" shall mean the Beneficial Owners of more than fifty percent (50%) of the aggregate principal amount of the Series 2020 Bonds then Outstanding.

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

"Operation and Maintenance Assessments" shall mean non-ad valorem special assessments levied by the District pursuant to the Act and other applicable law on assessable District lands for the operation and maintenance of the 2020 Project and/or the operations of the District.

"Participating Underwriter" shall have the meaning ascribed to it in the Continuing Disclosure Agreement.

"Prepayment Principal" shall mean the excess amount of Assessment Principal received by the District over the Assessment Principal then due, but shall not include Delinquent Assessment Principal. Prepayment Principal shall not include the proceeds of any refunding bonds.

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

"Series 2020 Assessments" shall mean the Special Assessments levied against properties within the District specially benefited by the 2020 Project all as described in the Assessment Proceedings.

"Substantially Absorbed" means the date at least 90% of the principal portion of the Series 2020 Assessments have been assigned to residential units that have received certificates of occupancy.

"Term Bonds" shall mean the Series 2020 Bonds that mature on one date and that are subject to mandatory redemption from Amortization Installments.

"True Up Agreement" shall mean, the document entitled \_\_\_\_\_ between the District and the Developer, dated April \_\_, 2020.

"2020 Acquisition and Construction Account" shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 401(a) of this First Supplemental Indenture.

"2020 Costs of Issuance Account" shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 401(a) of this First Supplemental Indenture.

"2020 Interest Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 401(b) of this First Supplemental Indenture.

"2020 Optional Redemption Account" shall mean the Account so designated, established as a separate Account within the Bond Redemption Fund pursuant to Section 401(c) of this First Supplemental Indenture.

"2020 Prepayment Account" shall mean the Account so designated, established as a separate Account within the Bond Redemption Fund pursuant to Section 401(c) of this First Supplemental Indenture.

"2020 Rebate Account" shall mean the Account so designated, established pursuant to Section 4.07 of this First Supplemental Indenture.

"2020 Reserve Account" shall mean the Account established as a separate Account within the Debt Service Reserve Fund pursuant to Section 401(d) of this First Supplemental Indenture.

"2020 Reserve Account Requirement" shall mean fifty percent (50%) of the maximum annual Debt Service Requirement for the Series 2020 Bonds calculated from time to time which is initially \$ \_\_\_\_\_.

"2020 Revenue Account" shall mean the Account so designated, established as a separate Account within the Revenue Fund pursuant to Section 401(e) of this First Supplemental Indenture.

"2020 Sinking Fund Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 401(b) of this First Supplemental Indenture.

## ARTICLE II AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2020 BONDS

Section 201. Authorization of Series 2020 Bonds; Book-Entry Only Form. The Series 2020 Bonds are hereby authorized to be issued in the aggregate principal amount of \$ \_\_\_\_\_ for the purposes enumerated in the recitals hereto. The Series 2020 Bonds shall be substantially in the form set forth as **Exhibit B** to this First Supplemental Indenture. Each Series 2020 Bond shall bear the designation "2020" and be numbered consecutively from 1 upwards.

The Series 2020 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2020 Bond for each maturity of Series 2020 Bonds and shall be numbered consecutively from R-1 and up. Upon initial issuance, the ownership of such

Series 2020 Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of The Depository Trust Company, New York, New York ("DTC"), the initial Bond Depository. Except as provided in this Section 201, all of the Outstanding Series 2020 Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC.

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

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

restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names the Beneficial Owners shall designate, in accordance with the provisions hereof.

Section 202. Terms of Series 2020 Bonds. The Series 2020 Bonds shall be issued as four (4) Term Bonds as set forth below and shall bear interest at the fixed interest rates per annum and shall mature in the amounts and on the dates set forth below:

\$ \_\_\_\_\_, \_\_\_\_\_% Term Bond due May 1, \_\_\_\_\_

\$ \_\_\_\_\_, \_\_\_\_\_% Term Bond due May 1, \_\_\_\_\_

\$ \_\_\_\_\_, \_\_\_\_\_% Term Bond due May 1, \_\_\_\_\_

\$ \_\_\_\_\_, \_\_\_\_\_% Term Bond due May 1, \_\_\_\_\_

Section 203. Dating; Interest Accrual. Each Series 2020 Bond upon initial issuance shall be dated April \_\_\_\_, 2020. Each Series 2020 Bond shall also bear its date of authentication. Each Series 2020 Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication: (i) is an Interest Payment Date to which interest on such Series 2020 Bond has been paid, in which event such Series 2020 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the Series 2020 Bonds, in which event such Series 2020 Bond shall bear interest from its date. Interest on the Series 2020 Bonds shall be due and payable on each May 1 and November 1, commencing November 1, 2020, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 204. Denominations. The Series 2020 Bonds shall be issued in Authorized Denominations provided however, delivery of the Series 2020 Bonds to the initial purchasers thereof shall be in principal amounts of \$100,000 of integral multiples of \$5,000 in excess thereof.

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

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

Section 207. Conditions Precedent to Issuance of Series 2020 Bonds. In addition to complying with the requirements set forth in Section 3.01 of the Master Indenture in connection with the issuance of the Series 2020 Bonds, all the Series 2020 Bonds shall be executed by the District for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the District or upon its order, but only upon the further receipt by the Trustee of:

- (a) Certified copies of the Assessment Proceedings;
- (b) Executed originals of the Master Indenture and this First Supplemental Indenture;

(c) A Bond Counsel opinion addressed to the Trustee or with respect to which the Trustee has received a customary reliance letter substantially to the effect that; (i) the Indenture has been duly authorized and executed by the District and constitutes a valid and binding obligation of the District; (ii) the Series 2020 Bonds have been duly authorized, executed and delivered by the District and are valid and binding special obligations of the District, payable solely from the sources provided therefor in the Indenture; (iii) the interest on the Series 2020 Bonds is excludable from gross income for federal income tax purposes; and (iv) the Series 2020 Bonds and the interest paid thereon are exempt from all taxes imposed by the State of Florida except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes.

(d) An opinion of Counsel to the District addressed to the Trustee substantially to the effect that; (i) the District has been duly established and validly exists as a community development district under the Act, (ii) the District has good right and lawful authority under the Act to undertake the 2020 Project being financed with the proceeds of the Series 2020 Bonds, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body having lawful jurisdiction in order to undertake the 2020 Project, (iii) all proceedings undertaken by the District with respect to the Series 2020 Assessments have been in accordance with Florida law, (iv) the District has taken all action necessary to levy and impose the Series 2020 Assessments, and (v) the Series 2020 Assessments are legal, valid and binding liens upon the property against which such Series 2020 Assessments are made, coequal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid;

(e) A certificate of a Responsible Officer to the effect that, upon the authentication and delivery of the Series 2020 Bonds, the District will not be in default in the performance of the terms and provisions of the Master Indenture or this First Supplemental Indenture;

(f) A certificate or certificates of the District's engineer certifying as to the accuracy of the information set forth in the District engineer's report regarding the 2020 Project; and

(g) A certified copy of the final judgment of validation together with a certificate of no appeal.

Delivery to the Trustee of the net proceeds from the issuance of the Series 2020 Bonds shall constitute conclusive proof of the delivery of the items described above to the satisfaction of the Issuer and the underwriter of the Series 2020 Bonds.

Section 208. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provisions of the Indenture, failure of the District to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may and, at the request of any Participating Underwriter (as defined in Rule 15c2-12 of the Securities and Exchange Commission) or the Holders of at least 25% aggregate principal amount of Outstanding Series 2020 Bonds, and receipt of indemnity satisfactory to the Trustee shall, or any such Bondholder may take such actions as may be necessary and appropriate,

including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under this Section.

**ARTICLE III  
REDEMPTION AND PURCHASE OF SERIES 2020 BONDS**

The Series 2020 Bonds are subject to redemption prior to maturity as provided in the form thereof set forth as **Exhibit A** to this First Supplemental Indenture. Notice of redemption shall be given as provided in Section 8.02 of the Master Indenture.

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

Section 401. Establishment of Accounts.

(a) There are hereby established within the Acquisition and Construction Fund held by the Trustee the following accounts:

- (i) a 2020 Acquisition and Construction Account; and
- (ii) a 2020 Costs of Issuance Account;

(b) There are hereby established within the Debt Service Fund held by the Trustee a 2020 Sinking Fund Account, and a 2020 Interest Account;

(c) There is hereby established within the Bond Redemption Fund a 2020 Prepayment Account and a 2020 Optional Redemption Account;

(d) There is hereby established within the Debt Service Reserve Fund held by the Trustee a 2020 Reserve Account, which account shall be held for the benefit of all of the Series 2020 Bonds without distinction as to Series 2020 Bonds and without privilege or priority of one Series 2020 Bond over another; and

(e) There is hereby established within the Revenue Fund held by the Trustee a 2020 Revenue Account.

Section 402. Use of 2020 Bond Proceeds. Following the Trustee's receipt of the items set forth in Section 3.01 of the Master Indenture and Section 207 hereof; the net proceeds of sale of the Series 2020 Bonds, \$\_\_\_\_\_ (face amount of Series 2020 Bonds less underwriter's discount of \$\_\_\_\_\_ and less original issue discount of \$\_\_\_\_\_) shall be delivered to the Trustee by the District and be applied as follows:

(a) \$\_\_\_\_\_, representing the 2020 Reserve Account Requirement, shall be deposited to the 2020 Reserve Account;

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

(c) \$ \_\_\_\_\_, shall be deposited to the 2020 Interest Account; and

(d) \$ \_\_\_\_\_ of the proceeds of the Series 2020 Bonds remaining after the deposits above shall be deposited to the credit of the 2020 Acquisition and Construction Account of the Acquisition and Construction Fund.

Section 403. Acquisition and Construction Fund.

(a) Amounts on deposit in the 2020 Acquisition and Construction Account shall be applied to pay the Costs of the 2020 Project upon presentment to the Trustee of a properly signed requisition in substantially the form of Exhibit B.

(b) Any balance remaining in the 2020 Acquisition and Construction Account after the Completion Date of the 2020 Project and after retaining the amount, if any, of all remaining unpaid Costs of the 2020 Project set forth in the Engineers' Certificate establishing such Completion Date, shall be deposited in the 2020 Prepayment Account in the Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2020 Bonds in the manner prescribed in the Series 2020 Bonds. At such time as there are no amounts on deposit in the 2020 Acquisition and Construction Account such account shall be closed. No such transfer to the 2020 Prepayment Account shall be made if on the date of such proposed transfer the Trustee has knowledge that an Event of Default exists until such Event of Default no longer exists or is waived or the Trustee is directed by the Majority Owners to otherwise apply such moneys.

In accordance with the provisions of the Indenture, the Series 2020 Bonds are payable solely from the 2020 Trust Estate. The District acknowledges hereby that (i) the 2020 Trust Estate includes, without limitation, all amounts on deposit in the 2020 Acquisition and Construction Account then held by the Trustee, (ii) upon the occurrence of an Event of Default with respect to the Series 2020 Bonds, the 2020 Trust Estate may not be used by the District (whether to pay costs of the 2020 Project or otherwise) without the consent of the Majority Owners, except to the extent that prior to the occurrence of the Event of Default the District had incurred a binding obligation with third parties for work on the 2020 Project and payment is for such work and (iii) the 2020 Trust Estate may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture. The District shall not enter into any binding agreement with respect to the 2020 Project after the occurrence of an Event of Default unless authorized in writing by the Majority Owners.

Section 404. Costs of Issuance Account. There shall be deposited in the 2020 Costs of Issuance Account \$ \_\_\_\_\_ which shall, at the written direction of a Responsible Officer to the Trustee, be used to pay the costs of issuance relating to the Series 2020 Bonds. Any amounts on deposit in the 2020 Costs of Issuance Account ninety (90) days after the date of initial delivery of the Series 2020 Bonds, for which the District has not provided a pending requisition, shall be transferred over and deposited into the 2020 Acquisition and Construction Account and used for the purposes permitted therefor and the Cost of Issuance Account shall be closed.

Section 405. 2020 Reserve Account. Amounts on deposit in the 2020 Reserve Account except as provided elsewhere in the Master Indenture or in this First Supplemental Indenture shall be used only for the purpose of making payments into the 2020 Interest Account and the 2020 Sinking Fund Account to pay the Series 2020 Bonds, without distinction as to Series 2020 Bonds and without privilege or priority of one Series 2020 Bond over another, when due when the moneys on deposit in such Accounts and available therefor are insufficient.

The Trustee, on each March 15, June 15, September 15 and December 15 (or if such day is not a Business Day, on the Business Day next preceding such day) next preceding each Quarterly Redemption Date, after taking into account all payments and transfers made as of such date, shall compute the value of the 2020 Reserve Account and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such account. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit in the 2020 Reserve Account, from the first legally available sources of the District. Any such surplus in the 2020 Reserve Account shall be deposited to the 2020 Prepayment Account.

All earnings on investments in the 2020 Reserve Account shall be deposited to the 2020 Revenue Account provided no deficiency exists in the 2020 Reserve Account except that prior to the Completion Date of the 2020 Project earnings shall be deposited to the 2020 Acquisition and Construction Account if a deficiency does not exist in the 2020 Reserve Account and if a deficiency does exist earnings shall remain on deposit in the 2020 Reserve Account until the deficiency is cured. Such Account shall consist only of cash and Investment Securities.

Notwithstanding the foregoing on the earliest date on which there is on deposit in the 2020 Reserve Account, sufficient monies, taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2020 Bonds, together with accrued interest on such Series 2020 Bonds to the earliest date of redemption, then the Trustee shall transfer to the 2020 Prepayment Account the amount on deposit in the 2020 Reserve Account to pay and redeem all of the Outstanding 2020 Bonds on the earliest such date.

Section 406. Application of Prepayment Principal; 2020 Prepayment Account. All Prepayment Principal shall upon receipt by the Trustee be deposited to the 2020 Prepayment Account. At the time the District deposits Prepayment Principal with the Trustee it shall notify the Trustee in writing as to the amount of Prepayment Principal. Amounts on deposit in the 2020 Prepayment Account shall be applied to the extraordinary mandatory redemption of the Series 2020 Bonds in the manner prescribed in the Series 2020 Bonds.

The Trustee is not responsible to verify if any payment is Prepayment Principal and may conclusively rely as accurate upon the classification of the District as Prepayment Principal and in the absence of such notification will conclude that such payment is not Prepayment Principal.

Section 407. Tax Covenants and Rebate Account. The District shall comply with the Arbitrage Certificate (including deposits to and payments from the 2020 Rebate Account hereby established) included as part of the closing transcript for the Series 2020 Bonds, as amended and supplemented from time to time in accordance with its terms. Amounts in the 2020 Rebate Account hereby established shall be directed by the District for investment only in Government Obligations. To the extent any amounts in the 2020 Rebate Account are not needed to comply

with the Arbitrage Certificate, such amounts shall be transferred as directed by the District to any other fund or account created hereunder.

Notwithstanding anything to the contrary contained in the Master Indenture, the District covenants with the holders of the Series 2020 Bonds that it shall comply with the requirements of Code necessary to maintain the exclusion of interest on the Series 2020 Bonds from gross income for purposes of federal income taxation, including the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code, and, in particular, that it shall not make or direct the making of any investment or other use of proceeds of such Series 2020 Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the interest on such 2020 Bonds to be or become subject to federal income taxation, nor shall it fail to do any act which is necessary to prevent such interest from becoming subject to federal income taxation. The District further covenants that neither the District nor any other person under its control or direction will make any investment or other use of the proceeds of the Series 2020 Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the 2020 Bonds to be "private activity bonds" as that term is defined in Section 141 of the Code (or any successor provision thereto), or "arbitrage bonds" as that term is defined in Section 148 of the Code (or any successor provision thereto) and that it will comply with such sections of the Code throughout the term of the Series 2020 Bonds.

Section 408. Establishment of 2020 Revenue Account in Revenue Fund; Application of Series 2020 Accounts and Investment Earnings.

(a) Except as otherwise provided herein, amounts on deposit in the 2020 Revenue Account shall be applied in accordance with Section 6.03 of the Master Indenture. Except as otherwise provided herein, the Series 2020 Assessments will be collected as provided in Section 9.04 of the Master Indenture. Following an Event of Default, the Majority Owners may direct the District as to the collection method for the Series 2020 Assessments provided such method complies with Florida law. The District covenants to assess, levy, and enforce the payment of the Series 2020 Assessments at times and in amounts as shall be necessary in order to pay, when due, Debt Service Requirements on the Series 2020 Bonds and to pay or cause to be paid the proceeds of such Series 2020 Assessments as received to the Trustee for deposit to the 2020 Revenue Account.

(b) Upon deposit of the revenues from the Series 2020 Assessments including the interest thereon with the Trustee, the District shall provide the Trustee a written accounting setting forth the amounts of such Series 2020 Assessments in the following categories which shall be deposited by the Trustee into the Funds and Accounts established hereunder as follows:

(i) Assessment Interest which shall be deposited into the 2020 Interest Account;

(ii) Assessment Principal, which shall be deposited into the 2020 Sinking Fund Account;

(iii) Prepayment Principal which shall be deposited into the 2020 Prepayment Account;

(iv) Delinquent Assessment Principal shall first be applied to restore the amount of any withdrawal from the 2020 Reserve Account to pay the principal of Series 2020 Bonds, to the extent that less than the 2020 Reserve Account Requirement is on deposit in the 2020 Reserve Account, and, the balance, if any, shall be deposited into the 2020 Sinking Fund Account;

(v) Delinquent Assessment Interest shall first be applied to restore the amount of any withdrawal from the 2020 Reserve Account to pay the interest of Series 2020 Bonds to the extent that less than the 2020 Reserve Account Requirement is on deposit in a 2020 Reserve Account, and, the balance, if any, shall be deposited into the 2020 Interest Account;

(vi) The balance shall be deposited in the 2020 Revenue Account.

(c) On each March 15, June 15, September 15 and December 15 (or if such Day is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the 2020 Prepayment Account and, if the balance therein is greater than zero, shall transfer, but only after transferring sufficient amounts as directed by the District from the 2020 Revenue Account to pay amounts due on the next Interest Payment Date from the 2020 Revenue Account for deposit into such Prepayment Account, an amount sufficient to increase the amount on deposit therein to the next integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of Series 2020 Bonds on the next succeeding Quarterly Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in such Prepayment Account in accordance with the provisions for extraordinary redemption of Series 2020 Bonds. All interest due in regard to such prepayments shall be paid from the 2020 Interest Account or, if insufficient amounts are on deposit in the 2020 Interest Account to pay such interest, then from the 2020 Revenue Account.

(d) Anything herein or in the Master Indenture to the contrary, on each May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall transfer from amounts on deposit in the 2020 Revenue Account to the Funds and Accounts designated below, the following amounts in the following order of priority:

FIRST, to the 2020 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all Series 2020 Bonds then Outstanding on such May 1 or November 1, less any other amount already on deposit in the 2020 Interest Account not previously credited;

SECOND, beginning on May 1, 2021, and no later than the Business Day next preceding each May 1 thereafter while Series 2020 Bonds remain Outstanding, to the 2020 Sinking Fund Account, an amount equal to the Amortization Installment on the Series 2020 Bonds due on such May 1 or the principal maturing on such May 1, less any amount on deposit in the 2020 Sinking Fund Account not previously credited;

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

FOURTH, the balance shall be retained in the 2020 Revenue Account.

Anything herein to the contrary notwithstanding, it shall not constitute an Event of Default hereunder if the full amount of the foregoing deposits are not made due to an insufficiency of funds therefor; provided, however, that nothing in this paragraph is meant to change what are otherwise Events of Default as provided for in Article X of the Master Trust Indenture and Section 606 herein.

(e) On any date required by the Arbitrage Certificate, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the 2020 Revenue Account to the 2020 Rebate Account established for the Series 2020 Bonds in the Rebate Fund the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Arbitrage Certificate. To the extent insufficient moneys are on deposit in the 2020 Revenue Account to make the transfer provided for in the immediately preceding sentence the District shall deposit with the Trustee from available moneys of the District the amount of any such insufficiency.

(f) Anything herein or in the Master Indenture to the contrary notwithstanding, amounts on deposit in all of the Funds and Accounts held as security for the Series 2020 Bonds shall be invested only in Investment Securities, and further, earnings on investments in the 2020 Acquisition and Construction Account and the 2020 Cost of Issuance Account shall be retained as realized, in such Accounts and used for the purpose of such Accounts. Earnings on investments in the 2020 Revenue Account, 2020 Sinking Fund Account, the 2020 Interest Account and the 2020 Prepayment Account and the 2020 Optional Redemption Account in the Bond Redemption Fund shall be deposited, as realized, to the credit of the 2020 Revenue Account and used for the purpose of such Account.

Earnings on investments in the 2020 Reserve Account shall be disposed of as provided in Section 405 hereof.

## ARTICLE V CONCERNING THE TRUSTEE

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

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

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

including, particularly, Article XI thereof, all of which shall apply to the actions of the Trustee under this First Supplemental Indenture.

Section 504. Brokerage Confirmations. The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer the right to receive individual confirmations of security transactions at no additional cost, as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder and under the Master Indenture with respect to the 2020 Bonds Outstanding.

Section 505. Patriot Act Requirements of Trustee. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identified each person who opens an account. For a non-individual person such as business entity, a charity, a trust, or other legal entity, the Trustee will ask for documentation to verify such non-individual person's formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

## **ARTICLE VI MISCELLANEOUS**

Section 601. Confirmation of Master Indenture. As supplemented by this First Supplemental Indenture, the Master Indenture is in all respect ratified and confirmed, and this First Supplemental Indenture shall be read, taken and construed as a part of the Master Indenture so that all of the rights, remedies, terms, conditions, covenants and agreements of the Master Indenture, except insofar as modified herein, shall apply and remain in full force and effect with respect to this First Supplemental Indenture and to the Series 2020 Bonds issued hereunder. To the extent of any conflicts between the terms and provisions of the Master Indenture and this First Supplemental Indenture the terms and provisions hereof shall control.

Section 602. Additional Covenant Regarding 2020 Assessments. In addition, and not in limitation of, the covenants contained elsewhere in this First Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the proceedings heretofore adopted with respect to the 2020 Assessments, including the assessment methodology, prepared by PFM Financial Advisors LLC (the "Report"), and to levy the 2020 Assessments and any required true up payments as set forth in the Report, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2020 Bonds, when due. The District also agrees that it shall not amend the Report in any material manner without the written consent of the Majority Owners.

The District shall directly collect the Series 2020 Assessments in lieu of the Uniform Method with respect to any assessable lands until such time as such lots are platted, unless the District Manager is directed otherwise by Majority Owners.

Section 603. Limitation on Additional Debt. Other than Bonds issued to refund a portion of Outstanding Series 2020 Bonds, the issuance of which as determined by the District results in present value debt service savings, the District shall not, while any Series 2020 Bonds are outstanding, issue or incur any debt payable in whole or in part from the 2020 Trust Estate. In addition, the District covenants not to issue any other Bonds or other debt obligations secured by Special Assessments on assessable lands which are also encumbered by the Series 2020 Assessments for any capital project unless the Series 2020 Assessments have been Substantially Absorbed; provided, however, that the foregoing shall not preclude the imposition of Special Assessments on property subject to the Series 2020 Assessments which as determined by the District, are necessary for health, safety, and welfare reasons or to remediate a natural disaster. The District may issue Bonds or other debt obligations secured by Special Assessments on assessable lands not encumbered by the Series 2020 Assessments without limitation except as limited by the documents pursuant to which such Bonds or debt are issued. The Trustee and the District may rely on a certificate from the District Manager regarding such status of the residential units and the Series 2020 Assessments and in the absence of receipt of such certificate, may assume Substantial Absorption has not occurred.

Section 604. Additional Matters Relating to Delinquent Assessments.

(a) Notwithstanding anything herein or in the Master Indenture to the contrary, the following provisions shall apply with respect to the Series 2020 Assessments and Series 2020 Bonds: If any property shall be offered for sale for the nonpayment of any Series 2020 Assessments, and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2020 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the District, acting at the direction of the Majority Owners of the Series 2020 Outstanding, specifying whether the District is to take title to the property in its corporate name or in the name of a special purpose entity, may purchase the property for an amount approved by the Majority Owners (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name or in the name of a special-purpose entity title to the property for the benefit of the Owners of the Series 2020 Bonds. The District, either through its own actions, or actions caused to be taken by the District through the Trustee, shall have the power to and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the 2020 Revenue Account. The District, either through its own actions, or actions caused to be taken by the District through the Trustee, agrees that it shall, after being provided assurances satisfactory to it of payment of its fees, costs and expenses for doing so, be required to take the measures provided by law for listing for sale of property acquired by it as trustee for the Owners of the Series 2020 Bonds within sixty (60) days after the receipt of the request therefore signed by the Trustee, acting at the direction of the Majority Owners of the Series 2020 Outstanding . The District may pay costs associated with any actions taken by the District pursuant to this paragraph from any moneys legally available for such purpose held under the Indenture, provided such action does not adversely impact the tax-exempt status of the interest on the Series 2020 Bonds.

(b) Notwithstanding anything to the contrary herein or in the Master Indenture, the District acknowledges and agrees that (i) upon failure of any property owner to pay when due any installment of Series 2020 Assessments that are billed directly by the District,

that the entire Series 2020 Assessments levied on the property for which such installment of Series 2020 Assessments is due and unpaid, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and acting at the direction of the Majority Owners of the Series 2020 Bonds Outstanding, the District shall promptly, but in any event within ninety (90) days of the receipt of such consent, cause to be brought the necessary legal proceedings for the foreclosure of liens of the delinquent Series 2020 Assessments, including interest and penalties and (ii) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages.

Section 605. Additional Matters Relating to Series 2020 Assessments and Assessment Proceedings. The District covenants and agrees that upon the occurrence and continuance of an Event of Default with respect to the Series 2020 Bonds, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of delinquent Series 2020 Assessments that are directly billed and collected by the District, as well as delinquent direct billed Operation and Maintenance Assessments, and the provisions for the foreclosure of liens of delinquent Series 2020 Assessments that are directly billed and collected by the District, as well as delinquent direct billed Operation and Maintenance Assessments, all in a manner consistent with the Master Indenture and this First Supplemental Indenture. All Series 2020 Assessments that are billed and collected directly by the District shall be due and payable no later than thirty (30) days prior to each Interest Payment Date and shall become delinquent thereafter.

Section 606. Additional Matters Relating to Events of Default.

In addition to the events set forth in Section 10.02 of the Master Indenture, each of the following events shall be an Event of Default with respect to the Series 2020 Bonds, notwithstanding anything to the contrary in the Master Indenture:

(a) Any portion of the Series 2020 Assessments pledged to the Series 2020 Bonds shall have become delinquent and, as the result thereof, the Indenture authorizes the Trustee to withdraw funds in an amount greater than fifteen percent (15%) of the amount on deposit in 2020 Reserve Account to pay the Debt Service Requirements on the Series 2020 Bonds (regardless of whether the Trustee does or does not actually withdraw such funds from the 2020 Reserve Account to pay the Debt Service Requirements on the Series 2020 Bonds) (the foregoing being referred to as a "2020 Reserve Account Event") unless within sixty (60) days from the 2020 Reserve Account Event the District has either paid to the Trustee (i) the amounts, if any, withdrawn from the 2020 Reserve Account or (ii) the portion of the Delinquent Assessment Principal and Delinquent Assessment Interest giving rise to the 2020 Reserve Account Event are no longer delinquent; and

(b) More than fifteen percent (15%) of the Operation and Maintenance Assessments that are directly billed by the District and levied by the District on tax parcels subject to the Series 2020 Assessments are not paid by the date such are due and payable and such default continues for sixty (60) days after the date when due. The District shall give written notice to the Trustee of the occurrence of such event not later than 10 days after the end of the sixty day period referred to in the preceding sentence. The Trustee shall not be deemed to have knowledge of the occurrence of such an Event of Default absent notice thereof from the District.

Section 607. Provisions relating to Bankruptcy or Insolvency of Landowner.

(a) The provisions of this Section 607 shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to at least three percent (3%) of the Series 2020 Assessments pledged to the Series 2020 Bonds Outstanding (an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a "Proceeding").

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

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

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

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

(iv) the Trustee shall have the right, by interpleader or otherwise, to seek or oppose any relief in any such Proceeding that the District, as claimant with respect to the Series 2020 Assessments relating to the Series 2020 Bonds Outstanding would have the right to pursue, and, if the Trustee chooses to exercise any such rights, the

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

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

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

Section 608. Assignment of Collateral Assignment.

The District hereby assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of the Series 2020 Bonds. Such assignment shall not be considered an assumption by the Trustee of any obligations thereunder.

Section 609. Third Party Beneficiaries. This First Supplemental Indenture shall inure solely to the benefit of the District, the Trustee and the Holders from time to time of the Series 2020 Bonds, and shall create no rights in any other person or entity.

Section 610. Enforcement of True-Up Agreement and Completion Agreement. The District, either through its own actions, or actions caused to be taken through the Trustee, covenants that it shall strictly enforce all of the provisions of the Completion Agreement and the True-Up Agreement, and, upon the occurrence and continuance of a default under such agreements, the District covenants and agrees that the Trustee, at the written direction of the Majority Owners of the Series 2020 Bonds shall, subject to the Trustee's rights under Article X of the Master Indenture, act on behalf of, and in the District's stead, to enforce the provisions of such agreements and to pursue all available remedies under applicable law or in equity. Anything herein or in the Master Indenture to the contrary notwithstanding, failure of the District to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the Completion Agreement and the True-Up Agreement upon demand of the Majority Owners of the Series 2020 Bonds, or the Trustee at the written direction of the Majority Owners of the Series 2020 Bonds, shall constitute an Event of Default under the Indenture without benefit of any period for cure.

IN WITNESS WHEREOF, CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT has caused these presents to be signed in its name and on its behalf by its Chairman, and its official seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized signatory.

**CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT**

[SEAL]

By: \_\_\_\_\_  
Chairman, Board of Supervisors

ATTEST:

By: \_\_\_\_\_  
Secretary

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

By: \_\_\_\_\_  
Vice President

EXHIBIT A

No. 2020R-\_\_

\$ \_\_\_\_\_

United States of America  
State of Florida  
CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2020  
(2020 ASSESSMENT AREA)

<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Dated</u> <u>Date</u>	<u>CUSIP</u>
_____%	May 1, ____	April ___, 2020	_____

Registered Owner: CEDE & CO.

Principal Amount: \_\_\_\_\_ MILLION \_\_\_\_\_ HUNDRED \_\_\_\_\_ THOUSAND AND  
NO/100 DOLLARS

THE CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT HAS ESTABLISHED A BOOK ENTRY SYSTEM OF REGISTRATION FOR THIS SERIES 2020 BOND. EXCEPT AS SPECIFICALLY PROVIDED OTHERWISE IN THE INDENTURE, CEDE & CO., AS NOMINEE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), WILL BE THE REGISTERED OWNER AND WILL HOLD THIS SERIES 2020 BOND ON BEHALF OF EACH BENEFICIAL OWNER HEREOF. BY ACCEPTANCE OF A CONFIRMATION OF PURCHASE, DELIVERY OR TRANSFER, EACH BENEFICIAL OWNER OF THIS SERIES 2020 BOND SHALL BE DEEMED TO HAVE AGREED TO SUCH ARRANGEMENT. CEDE & CO., AS REGISTERED OWNER OF THIS SERIES 2020 BOND, MAY BE TREATED AS THE OWNER OF IT FOR ALL PURPOSES.

UNLESS THIS SERIES 2020 BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, WITH RESPECT TO ANY SERIES 2020 BOND REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT, a community development district duly created and existing pursuant to Chapter 190, Florida Statutes (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the Registered Owner set forth above, or registered assigns, on the maturity date shown hereon, unless this Series 2020 Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture mentioned hereinafter)

shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for, or if no interest has been paid, from the Dated Date shown above, on May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing on November 1, 2020, until payment of said principal sum has been made or provided for, at the rate per annum set forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (as hereinafter defined), be paid to the Registered Owner hereof at the close of business on the regular record date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) and/or (b) of Section 10.02 of the Master Indenture, the payment of interest and principal or Redemption Price shall be made by the Paying Agent (hereinafter defined) to such person, who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the Registered Owner of this Series 2020 Bond. Any payment of principal, or Redemption Price or interest shall be made only in accordance with standard DTC practices. Interest on this Bond will be computed on the basis of a 360-day year of twelve 30 day months.

This Bond is one of a duly authorized issue of bonds of the District designated "Special Assessment Revenue Bonds, Series 2020" (2020 Assessment Area) (the "Series 2020 Bonds") issuable under and governed by the terms of a Master Trust Indenture, dated as of April 1, 2020 (the "Master Indenture"), between the District and U.S. Bank National Association as trustee (the "Trustee"), as supplemented by a First Supplemental Trust Indenture, dated as of April 1, 2020 (the "Supplemental Indenture"), between the District and the Trustee (the Master Indenture as supplemented by the Supplemental Indenture is hereafter referred to as the "Indenture"). The Series 2020 Bonds are issued in an aggregate principal amount of \$ \_\_\_\_\_ for the purposes of (i) financing the Cost of acquiring, constructing and equipping certain assessable improvements (the "2020 Project"); (ii) paying certain costs associated with the issuance of the Series 2020 Bonds; (iii) paying a portion of the interest to accrue on the Series 2020 Bonds; and (iv) making a deposit into the 2020 Reserve Account for the benefit of all of the Series 2020 Bonds.

NEITHER THIS SERIES 2020 BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS SERIES 2020 BOND AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO

PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2020 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2020 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2020 PLEDGED REVENUES AND THE 2020 PLEDGED FUNDS PLEDGED TO THE SERIES 2020 BONDS, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the resolutions of the District to happen, exist and be performed precedent to and in the issuance of this Series 2020 Bond and the execution of the Indenture, have happened, exist and have been performed as so required. This Series 2020 Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Trustee of the Certificate of Authentication endorsed hereon.

IN WITNESS WHEREOF, Charles Cove Community Development District has caused this Series 2020 Bond to bear the signature the Chairman of its Board of Supervisors and the official seal of the District to be impressed or imprinted hereon and attested by the signature of its Secretary.

**CHARLES COVE COMMUNITY  
DEVELOPMENT DISTRICT**

(SEAL)

By: \_\_\_\_\_  
Chairman, Board of Supervisors

ATTEST:

By: \_\_\_\_\_  
Secretary

**CERTIFICATE OF AUTHENTICATION**

This Series 2020 Bond is one of the Bonds of the Series designated herein, described in the within-mentioned Indenture.

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

By: \_\_\_\_\_  
Vice President

\_\_\_\_\_  
Date of Authentication:

This Series 2020 Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes, as amended, and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the designated office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Series 2020 Bonds, the collection, receipt and disposition of revenues and the funds charged with and pledged to the payment of the principal, and Redemption Price of, and the interest on, the Series 2020 Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of the 2020 Pledged Revenues (as defined in the Indenture), the terms and conditions under which the Series 2020 Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Registered Owners and Beneficial Owners of the Series 2020 Bonds, and, by the acceptance of this Series 2020 Bond, the Registered Owner and Beneficial Owners hereof assent to all of the provisions of the Indenture. Terms not otherwise defined herein shall have the meaning ascribed to them in the Indenture. The Series 2020 Bonds are equally and ratably secured by the 2020 Trust Estate, without preference or priority of one Series 2020 Bond over another.

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

The District has established a book-entry system of registration for the Series 2020 Bonds. Except as specifically provided otherwise in the Indenture, an agent will hold this Series 2020 Bond on behalf of the Beneficial Owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, the Beneficial Owner of this Series 2020 Bond shall be deemed to have agreed to such arrangement.

#### Optional Redemption

The Series 2020 Bonds are subject to redemption at the option of the District prior to maturity, in whole or in part, on any date on or after May 1, \_\_\_\_ at the Redemption Price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date.

Mandatory Redemption

The Series 2020 Bond maturing May 1, \_\_\_\_ is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2020 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

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

\*

\*Maturity

The Series 2020 Bond maturing May 1, \_\_\_\_ is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2020 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

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

\*

\*Maturity

The Series 2020 Bond maturing May 1, \_\_\_\_ is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2020 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

<u>Year</u>	<u>Amortization Installment</u> \$
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\*

**\*Maturity**

The Series 2020 Bond maturing May 1, \_\_\_\_\_ is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2020 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

<u>Year</u>	<u>Amortization Installment</u> \$
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\*

Any Series 2020 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Series 2020 Bonds.

Upon redemption or purchase of the Series 2020 Bonds (other than redemption in accordance with scheduled Amortization Installments), the District shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so that debt service

on the Series 2020 Bonds is amortized in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2020 Bonds.

#### Extraordinary Mandatory Redemption

The Series 2020 Bonds are subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any Quarterly Redemption Date, and if in part on a pro rata basis calculated by the District determined by the ratio of the Outstanding principal amount of each maturity of the Series 2020 Bonds treating for such purposes each Amortization Installment as a maturity divided by the aggregate principal amount of Outstanding Series 2020 Bonds and as otherwise provided in the Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the Quarterly Redemption Date, if and to the extent that any one or more of the following shall have occurred:

(i) On or after Completion Date of the 2020 Project by application of moneys transferred from the 2020 Acquisition and Construction Account to the 2020 Prepayment Account in accordance with the terms of the Indenture; or

(ii) Amounts are deposited into the 2020 Prepayment Account from the prepayment of Series 2020 Assessments and from amounts deposited into the 2020 Prepayment Account from any other sources; or

(iii) When the amount on deposit in the 2020 Reserve Account, together with other moneys available therefor are sufficient to pay and redeem all the Series 2020 Bonds then Outstanding as provided in the Supplemental Indenture.

If less than all of the Series 2020 Bonds of a maturity subject to redemption shall be called for redemption, the particular such Series 2020 Bonds or portions of such Series 2020 Bonds of that maturity to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

Notice of each redemption of Series 2020 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to each Registered Owner of Series 2020 Bonds to be redeemed at the address of such Registered Owner recorded on the bond register maintained by the Bond Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Indenture, the Series 2020 Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Series 2020 Bonds or such portions thereof on such date, interest on such Series 2020 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2020 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such Series 2020 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent.

The Owner of this Series 2020 Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

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

Any moneys held by the Trustee or Paying Agent in trust for the payment and discharge of any Series 2020 Bond which remain unclaimed for three (3) years after the date when such Series 2020 Bond has become due and payable, either at its stated maturity date or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for three (3) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Series 2020 Bond became due and payable, shall be paid to the District, and thereupon and thereafter no claimant shall have any rights against the Trustee or Paying Agent to or in respect of such moneys.

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

This Series 2020 Bond shall have all the qualities and incidents, including negotiability, of investment securities within the meaning and for all the purposes of the Uniform Commercial Code of the State of Florida.

This Series 2020 Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

**CERTIFICATE OF VALIDATION**

This Series 2020 Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court in and for Polk County, Florida, rendered on March \_\_\_\_, 2020.

**CHARLES COVE COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Chairman, Board of Supervisors

[FORM OF ABBREVIATIONS FOR SERIES 2020 BONDS]

The following abbreviations, when used in the inscription on the face of the within Series 2020 Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM as tenants in common

TEN ENT as tenant by the entirety

JT TEN as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_ under Uniform Transfers to Minors Act \_\_\_\_\_ (State)

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

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Series 2020 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, attorney to transfer the said Series 2020 Bond on the books of the District, with full power of substitution in the premises.

Date: \_\_\_\_\_

Social Security Number of Employer

Identification Number of Transferee:

Signature guaranteed:

\_\_\_\_\_  
NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Series 2020 Bond in every particular without alteration or any change whatever.

\_\_\_\_\_  
NOTICE: Signatures (s) must be guaranteed by guarantor institution participating in the Securities Transfer Agents Medallion Program or such other guaranteed program acceptable to the Trustee.

**EXHIBIT B**

**FORM OF REQUISITION 2020 ACQUISITION AND CONSTRUCTION ACCOUNT**

Charles Cove Community Development District  
Polk County, Florida

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

**CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020  
(2020 ASSESSMENT AREA)**

The undersigned, a Responsible Officer of the Charles Cove Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and U.S. Bank National Association, as trustee (the "Trustee"), dated as of April 1, 2020, as supplemented by that certain First Supplemental Trust Indenture dated as of April 1, 2020 (collectively, the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture);

- (A) Requisition Number;
- (B) Name of Payee;
- (C) Amount Payable;
- (D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments):
- (E) Account from which disbursement to be made: 2020 Acquisition and Construction Account

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 Account referenced in "E" above;
3. each disbursement set forth above was incurred in connection with the Cost of the 2020 Project;

4. each disbursement represents a Cost of the 2020 Project which has not previously been paid; and
5. the costs set forth in the requisition are reasonable.

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.

Copies of the invoice(s) from the vendor of the property acquired or the services rendered with respect to which disbursement is hereby requested or other similar evidence of proof of payment is on file with the District.

CHARLES COVE COMMUNITY  
DEVELOPMENT DISTRICT

By: \_\_\_\_\_  
Responsible Officer

Date: \_\_\_\_\_

The undersigned District Engineer hereby certifies that; (i) this disbursement is for the Cost of the 2020 Project and is consistent with the report of the District Engineer, as such report has been amended or modified; (ii) that the portion of the 2020 Project improvements being acquired from the proceeds of the 2020 Bonds have been completed in accordance with the plans and specifications therefor; (iii) the 2020 Project improvements subject to this disbursement are constructed in a sound workmanlike manner and in accordance with industry standards; (iv) the purchase price being paid by the District for the 2020 Project improvements being acquired pursuant to this disbursement is no more than the lesser of the fair market value of such improvements and the actual Cost of construction of such improvements; and (v) the plans and specifications for the 2020 Project improvements subject to this disbursement have been approved by all Regulatory Bodies required to approve them.

\_\_\_\_\_  
District Engineer

**EXHIBIT C**

**DESCRIPTION OF 2020 PROJECT**

**ASSESSABLE IMPROVEMENTS AS DESCRIBED IN  
\_\_\_\_\_ IN THE ENGINEER'S REPORT CAPITAL  
IMPROVEMENTS**

**PREPARED BY DAVE SCHMITT ENGINEERING, INC.**

**DATED \_\_\_\_\_, 2020 AND AS REVISED FROM TIME TO TIME.**

**EXHIBIT B**

**CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT  
(City of Haines City, Florida)**

\$[\_\_\_\_\_]  
**Special Assessment Revenue Bonds, Series 2020  
(2020 Assessment Area)**

[\_\_\_\_\_] , 2020

**BOND PURCHASE AGREEMENT**

Charles Cove Community Development District  
City of Haines City, Florida

Ladies and Gentlemen:

MBS Capital Markets, LLC (the "Underwriter") offers to enter into this Bond Purchase Agreement with the Charles Cove Community Development District (the "District" or the "Issuer"). This offer is made subject to written acceptance hereof by the Issuer at or before 12:00 midnight, New York time, on the date hereof. If not so accepted, this offer will be subject to withdrawal by the Underwriter upon written notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Capitalized terms that are not defined herein shall have the meaning ascribed to such term in the Limited Offering Memorandum or the Indenture, as applicable, each as defined herein.

1. Purchase and Sale. Upon the terms and conditions and in reliance on the representations, warranties, covenants and agreements set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of its \$[\_\_\_\_\_] Special Assessment Revenue Bonds, Series 2020 (2020 Assessment Area) (the "Series 2020 Bonds"). The Series 2020 Bonds shall be dated as of the date of their delivery and shall be payable on the dates and principal amounts, bear such rates of interest and be subject to redemption, all as set forth in Exhibit A attached hereto. Interest on the Series 2020 Bonds is payable semi-annually on May 1 and November 1 each year, commencing November 1, 2020. The aggregate purchase price for the Series 2020 Bonds shall be \$[\_\_\_\_\_] (representing the aggregate par amount of the Series 2020 Bonds of \$[\_\_\_\_\_] , less an Underwriter's discount on the Series 2020 Bonds of \$[\_\_\_\_\_]).

The disclosure statement required by Section 218.385, Florida Statutes, is attached hereto as Exhibit B.

2. The Series 2020 Bonds. The Series 2020 Bonds are authorized and issued pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, any successor statute thereto, the Florida Constitution, and other applicable provisions of law (collectively, the "Act"), and Ordinance No. 19-1666 enacted by the City Commission of the City of Haines City, Florida effective on December 5, 2019. The District was established for the purposes, among other things, of financing and managing the acquisition, construction, installation, maintenance, and operation of the public infrastructure necessary for community development in Charles Cove (the "Development"). The

Series 2020 Bonds are being issued pursuant to the Act and a Master Trust Indenture, dated as of April 1, 2020 (the "Master Indenture"), between the District and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by a First Supplemental Trust Indenture, dated as of April 1, 2020, between the District and the Trustee (the "First Supplemental Indenture," and, together with the Master Indenture, the "Indenture"), and Resolution Nos. 2020-25 and 2020-[ ] adopted by the District on December 11, 2019 and [ ], 2020, respectively (together, the "Bond Resolution"), authorizing the issuance of the Series 2020 Bonds. The Series 2020 Assessments (defined below) comprising the 2020 Pledged Revenues will be levied by the Issuer on lands within the District specially benefited by the Series 2020 Project pursuant to resolutions duly adopted by the Board (collectively, the "Assessment Resolution"). The Series 2020 Bonds shall be as described in, and shall be issued and secured pursuant to, the provisions of the Indenture. The Issuer will also enter into: (a) a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") with D.R. Horton, Inc. (the "Developer") and PFM Group Consulting LLC, as dissemination agent; (b) the Acquisition Agreement (the "Acquisition Agreement") with the Developer; (c) the Collateral Assignment and Assumption of Development Rights (the "Collateral Assignment") with the Developer; (d) the Completion Agreement (the "Completion Agreement") with the Developer; (e) the True-Up Agreement (the "True-Up Agreement") with the Developer; and (f) this Bond Purchase Agreement. For purposes hereof, this Bond Purchase Agreement, the Indenture, the Continuing Disclosure Agreement, the Acquisition Agreement, the Collateral Assignment, the Completion Agreement and the True-Up Agreement, are referred to herein collectively as the "Financing Documents."

The Series 2020 Bonds are being issued to: (i) finance the Cost of acquiring, constructing, installing and equipping assessable improvements comprising the Series 2020 Project, as more particularly described in the Limited Offering Memorandum (as defined herein); (ii) pay certain costs associated with the issuance of the Series 2020 Bonds; (iii) make a deposit into the Series 2020 Reserve Account to be held for the benefit of all of the Series 2020 Bonds; and (iv) pay a portion of the interest first coming due on the Series 2020 Bonds.

The principal and interest on the Series 2020 Bonds are payable from and secured by the 2020 Trust Estate, which includes the 2020 Pledged Revenues and the 2020 Pledged Funds. The 2020 Pledged Revenues consist primarily of the revenues derived by the District from non ad-valorem special assessments levied against lands in the District that are subject to assessment as a result of the Series 2020 Project or any portion thereof (the "Series 2020 Assessments").

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

(b) The Issuer shall deliver, or cause to be delivered, at its expense, to the Underwriter within seven (7) business days after the date hereof or use good faith to deliver within such shorter period as may be requested by the Underwriter and at least three (3) business days prior to the date the Series 2020 Bonds are delivered to the Underwriter, or within such other period as the Underwriter may inform the Issuer which is necessary for the Underwriter to comply with regulations of the Municipal Securities Rulemaking Board ("MSRB") in order to accompany any confirmation that requests payment

from any customer sufficient copies of the final Limited Offering Memorandum (“Limited Offering Memorandum”) to enable the Underwriter to fulfill its obligations pursuant to the securities laws of Florida and the United States, in form and substance satisfactory to the Underwriter. In determining whether the number of copies to be delivered by the Issuer are reasonably necessary, at a minimum, the number shall be determined by the Underwriter and conveyed to the Issuer as shall be sufficient to enable the Underwriter to comply with the requirements of the Rule, all applicable rules of the MSRB, and to fulfill its duties and responsibilities under Florida and federal securities laws generally.

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

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

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

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

5. Offering and Sale of Bonds. The Underwriter agrees to make a bona fide limited offering to “accredited investors” representing the general public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriter or wholesalers) of all of the Series 2020 Bonds at not in excess of the initial public offering price or prices (or below the yield or yields) set forth in Exhibit A hereto; provided, however, that the Underwriter may (i) offer and sell the Series 2020 Bonds to certain bond houses, brokers or to similar persons or organizations acting in the capacity of underwriters or wholesalers at prices lower than the public offering prices set forth in Exhibit A hereto, and (ii) change

such initial offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the Series 2020 Bonds. The Issuer hereby authorizes the Underwriter to use the Limited Offering Memorandum in connection with the public offering and sale of the Series 2020 Bonds and ratifies and confirms the distribution and use by the Underwriter prior to the date hereof of the Preliminary Limited Offering Memorandum in connection with such public offering and sale.

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

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

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

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

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

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

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

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

(h) The District is not in breach of or in default under any applicable constitutional provision, law or administrative regulation of the State of Florida or the United States, the Financing Documents, the Series 2020 Bonds or any applicable judgment or decree or any other loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, that could have a materially adverse effect on the business or operations of the District, and no event of default by the District has occurred and is continuing under any such instrument.

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

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

State of Florida, (7) the legality of investment in the Series 2020 Bonds for certain investors as provided in the Act, (8) the issuance, sale or delivery of the Series 2020 Bonds, or (9) the collection of the Series 2020 Assessments and the pledge thereof under the Indenture to pay the principal or premium, if any, or interest on the Series 2020 Bonds.

(k) Other than as stated in the Limited Offering Memorandum, the District has not issued, assumed or guaranteed any indebtedness, incurred any material liabilities, direct or contingent, or entered into any contract or arrangement of any kind payable from or secured by a pledge of the 2020 Trust Estate pledged to the Series 2020 Bonds with a lien thereon prior to or on a parity with the lien of the Series 2020 Bonds.

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

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

(n) No representation or warranty by the District in this Bond Purchase Agreement nor any statement, certificate, document or exhibit furnished to or to be furnished by the District pursuant to this Bond Purchase Agreement or the Limited Offering Memorandum or in connection with the transactions contemplated hereby contains or will contain on the date of Closing any untrue statement of a material fact or omits or will omit a material fact necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, provided, however, that no representation is made with respect to information concerning The Depository Trust Company or the Underwriter or concerning information in the Limited Offering Memorandum under the captions "THE DEVELOPER," "THE DEVELOPMENT," "TAX MATTERS," "LITIGATION – The Developer," and "CONTINUING DISCLOSURE – Continuing Compliance – The Developer."

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

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

shall be delivered to DTC during the business day prior to the Closing for purposes of inspection, unless the DTC "F.A.S.T." procedure is used which requires the Registrar to retain possession of the Series 2020 Bonds.

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

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

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

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

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

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

(3) The Limited Offering Memorandum and each supplement or amendment thereto, as applicable;

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

(5) An opinion, dated the date of Closing, of Akerman LLP, Orlando, Florida, Bond Counsel, substantially in the form attached as an Appendix to the Limited Offering Memorandum;

(6) An opinion of Bond Counsel to the effect that Bond Counsel has reviewed the statements contained in the Limited Offering Memorandum under the sections captioned "DESCRIPTION OF THE SERIES 2020 BONDS" (other than the portion thereof captioned "Book-Entry Only System" and other than any information therein relating to DTC or the book-entry system, as to which no opinion is expressed) and "SECURITY FOR AND SOURCE OF PAYMENT OF SERIES 2020 BONDS" (other than the portions thereof captioned "Agreement for Assignment of Development Rights," "Completion Agreement," and "True-Up Agreement" as to all of which no opinion will be expressed) and, insofar as such statements purport to be summaries of certain provisions of the Series 2020 Bonds, the Act and the Indenture, they constitute a fair summary of the information purported to be summarized therein, and the statements in the Limited Offering Memorandum on the cover relating to Bond Counsel's opinion and under the caption "TAX MATTERS" are accurate statements or summaries of the matters therein set forth;

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

(8) Copies of the Master Assessment Methodology, Phase 1 and the Supplemental Assessment Methodology, Phase 1 prepared by PFM Financial Advisors LLC and a certificate from such firm in substantially the form attached hereto as Exhibit E;

(9) An opinion, dated the date of Closing, of Bryant Miller Olive P.A., Orlando, Florida, Counsel to the Underwriter (the "Underwriter's Counsel"), in form and substance satisfactory to the Underwriter;

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

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

(12) Copies of the Engineer's Report for Capital Improvements and a certificate from the Issuer's Consulting Engineer, in substantially the form attached hereto as Exhibit I, dated the date of Closing and addressed to the Issuer and the Underwriter;

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

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

- (14) Specimen Series 2020 Bonds;
- (15) A copy of the executed Letter of Representations between the District and The Depository Trust Company, New York, New York;
- (16) Executed Financing Documents;
- (17) Evidence of compliance with the requirements of Section 189.051, Florida Statutes;
- (18) A copy of the Final Judgment issued on [\_\_\_\_\_], 2020 and by the Circuit Court of the Tenth Judicial Circuit of Florida, in and for Polk County, Florida in Case No. 2020-CA-\_\_\_\_ and a certificate of no appeal;
- (19) A Declaration of Consent from the Developer;
- (20) A certificate of the District Manager, in substantially the form of the certificate included herein as Exhibit F; and
- (21) Such additional legal opinions, certificates (including such certificates as may be required by regulations of the Internal Revenue Service in order to establish the tax exempt character of the Series 2020 Bonds, which certificates shall be satisfactory in form and substance to Bond Counsel), and other evidence as the Underwriter, Bond Counsel or Underwriter’s Counsel may deem necessary to evidence the truth and accuracy as of the Closing of the representations and warranties of the District herein contained and of the information contained in the Limited Offering Memorandum and the due performance and satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by it.

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

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

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

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

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

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

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

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

(f) legislation shall be introduced by amendment or otherwise in or be enacted by, the House of Representatives or the Senate of the Congress of the United States, or a decision by a Court of the United States of America shall be rendered, or a stop order, ruling, release, regulation, official

statement or no-action letter by or on behalf of the Securities and Exchange Commission or any other governmental authority having jurisdiction of the subject matter of the Series 2020 Bonds shall have been proposed, issued or made (which is beyond the control of the Underwriter or the Issuer to prevent or avoid) to the effect that the issuance, offering or sale of the Series 2020 Bonds as contemplated hereby or by the Limited Offering Memorandum, or any document relating to the issuance, offering or sale of the Series 2020 Bonds is or would be in violation of any of the federal securities laws at Closing, including the Securities Act of 1933, as amended and then in effect, the Securities Exchange Act of 1934, as amended and then in effect, or the Trust Indenture Act of 1939, as amended and then in effect, or with the purpose or effect of otherwise prohibiting the offering and sale of obligations of the general character of the Series 2020 Bonds, or the Series 2020 Bonds, as contemplated hereby; or

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

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

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

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

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

(l) any information shall have become known which, in the Underwriter's reasonable opinion, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Limited Offering Memorandum, as the information contained therein has been supplemented or amended by other information, or causes the Limited Offering Memorandum, as so

supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading and upon the receipt of notice of same by the Issuer, the Issuer fails to promptly amend or supplement the Limited Offering Memorandum; or

(m) an event occurs as a result of which the Limited Offering Memorandum, as then amended or supplemented, would include an untrue statement of a material fact or omit to state any material fact which is necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading which, in the reasonable opinion of the Underwriter, requires an amendment or supplement to the Limited Offering Memorandum and, in the reasonable opinion of the Underwriter, materially adversely affects the marketability of the Series 2020 Bonds or the contemplated offering prices thereof and upon the receipt of notice by the Issuer, the Issuer fails to promptly amend or supplement the Limited Offering Memorandum.

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

#### 10. Expenses.

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

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

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

11. No Advisory or Fiduciary Role. The District acknowledges and agrees that (i) the purchase and sale of the Series 2020 Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the District and the Underwriter, (ii) in connection therewith and with

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

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

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

The District: Charles Cove Community Development District  
c/o PFM Group Consulting LLC  
12051 Corporate Boulevard  
Orlando, Florida 32817  
Attn: Jennifer Walden  
Phone: (407) 723-5900

Copy to: Hopping Green & Sams, P.A.  
119 S. Monroe Street, Suite 300  
Tallahassee, Florida 32301  
Attn: Roy Van Wyk, Esq.

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

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

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

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

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

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

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

(a) The Issuer is proposing to issue the Series 2020 Bonds for the purposes of (i) paying the Costs of the Series 2020 Project; (ii) paying certain costs associated with the issuance of the Series 2020 Bonds; (iii) making a deposit into the Series 2020 Reserve Account to be held for the benefit of all of the Series 2020 Bonds; and (iv) paying a portion of the interest first coming due on the Series 2020 Bonds. The Series 2020 Bonds are expected to be repaid over a period of approximately \_\_\_\_ ( ) years. At a true interest cost of approximately [\_\_\_\_]%, total interest paid over the life of the Series 2020 Bonds will be approximately \$[\_\_\_\_\_].

(b) The sources of repayment for the Series 2020 Bonds are the 2020 Pledged Revenues and the 2020 Pledged Funds (as described in Section 2 hereof). Authorizing the Series 2020 Bonds will result in a maximum of approximately \$[\_\_\_\_\_] not being available to finance other services of the Issuer every year for approximately \_\_\_\_ ( ) years.

20. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Series 2020 Bonds and shall execute and deliver to the Issuer at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit J, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2020 Bonds.

(b) The Issuer will treat the first price at which 10% of each maturity of the Series 2020 Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Issuer the price or prices at which it has sold to the public each maturity of Series 2020 Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2020 Bonds, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the unsold Series 2020 Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the date of Closing has occurred, until the 10% test has been satisfied as to the Series 2020 Bonds of that maturity or until all Series 2020 Bonds of that maturity have been sold to the public.

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

Very truly yours,

**MBS CAPITAL MARKETS, LLC**

By: \_\_\_\_\_

Name: Brett Sealy

Title: Managing Partner

Accepted by:

**CHARLES COVE COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_

Name: Timothy Hultgren

Title: Chairman

**EXHIBIT A**  
**AMOUNTS, INTEREST RATES, MATURITIES AND YIELDS**  
**REDEMPTION PROVISIONS FOR THE SERIES 2020 BONDS**

EXHIBIT B

CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT

\$\_[\_\_\_\_\_]

Special Assessment Revenue Bonds, Series 2020  
(2020 Assessment Area)

DISCLOSURE STATEMENT

[\_], 2020

Charles Cove Community Development District  
City of Haines City, Florida

Ladies and Gentlemen:

Pursuant to Chapter 218.385, Florida Statutes, and with respect to the issuance of the above-referenced bonds (the "Bonds"), MBS Capital Markets, LLC (the "Underwriter"), having purchased the above-captioned Bonds pursuant to a Bond Purchase Agreement dated [\_], 2020 (the "Purchase Agreement") between the Underwriter and Charles Cove Community Development District (the "District"), makes the following disclosures in connection with the limited public offering and sale of the Bonds:

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

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

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

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

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

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

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

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

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

Very truly yours,

**MBS CAPITAL MARKETS, LLC**

By: \_\_\_\_\_  
Name: Brett Sealy  
Title: Managing Partner

**SCHEDULE I**

**ESTIMATED EXPENSES TO BE INCURRED BY UNDERWRITER**

Travel Expenses	\$
Communication	
Day Loan	
Clearance & Settlement Charges	
CUSIP / DTC	
Contingency	
<hr/>	
Total	\$

EXHIBIT C

CERTIFICATE OF DISTRICT

The undersigned, as Chairman and Secretary, respectively, of the Board of Supervisors (the "Board") of Charles Cove Community Development District (the "District"), a local unit of special-purpose government duly established and validly existing under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes, as amended (the "Act"), hereby certify to MBS Capital Markets, LLC (the "Underwriter") in satisfaction of Section 8(c)(4) of the Bond Purchase Agreement, dated [\_\_\_\_], 2020, with the District (the "Bond Purchase Agreement") in connection with the issuance by the District of its \$[\_\_\_\_] Special Assessment Revenue Bonds, Series 2020 (2020 Assessment Area) (the "Bonds"), as follows (terms used and not otherwise defined herein shall have the meaning ascribed to such terms in the Bond Purchase Agreement):

1. Timothy Hultgren is the duly appointed and acting Chairman of, and Jennifer L. Walden is the duly appointed and acting Secretary to, the Board, authorized by resolution of the Board pursuant to the Act to be custodian of all bonds, documents and papers filed with the District and the official seal of the District.

2. The following named persons are as of the date hereof the duly elected, qualified and acting members of the Board holding the office of appointment set forth opposite their names:

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Timothy Hultgren*	Chairman	November 2024
Branden Eckenrode*	Vice Chairman	November 2024
Christopher Wrenn*	Assistant Secretary	November 2022
Bradley Kingsley*	Assistant Secretary	November 2022
Sean Bailey*	Assistant Secretary	November 2022

\* Affiliated with Developer.

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

4. The seal, an impression of which appears below, was duly adopted by the District as its official seal and is the only legally adopted, proper and official seal of the District.

5. At duly called and held meetings of the Board on December 11, 2019 and [\_\_\_\_], 2020, the Board duly adopted Resolution Nos. 2020-25 and 2020-[\_\_], respectively, true and correct copies of which are attached hereto (collectively, the "Bond Resolution"), which Bond Resolution remains in full force and effect on the date hereof.

6. At duly called and held meetings of the Board on December 11, 2019 December 11, 2019, [\_\_\_\_], 2020, and [\_\_\_\_], 2020, the Board duly adopted Resolution Nos. 2020-23, Resolution No. 2020-24, Resolution No. 2020-[\_\_] and Resolution No. 2020-[\_\_], respectively, true and correct copies

of which are attached hereto (collectively, the "Assessment Resolutions"), which Assessment Resolutions remain in full force and effect on the date hereof.

7. The above referenced meetings of the Board at which the Bond Resolution and Assessment Resolutions were adopted were duly called in accordance with applicable law and at said meetings a quorum was present and acted throughout. All meetings of the Board at which the Board considered any matters related to the Bond Resolution, the Assessment Resolutions, the Indenture, the Bonds or any documents related to the issuance of the Bonds have been open to the public and held in accordance with the procedures required by Section 189.015 and Chapter 286, Florida Statutes, as amended, and all laws amendatory thereof and supplementary thereto.

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

9. Upon authentication and delivery of the Bonds, the District will not be in default in the performance of the terms and provisions of the Bond Resolution, the Assessment Resolutions or the Indenture.

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

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

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

13. To the best of our knowledge, the statements appearing in the Limited Offering Memorandum (but without intending to address "THE DEVELOPMENT," "THE DEVELOPER" and "LITIGATION – The Developer,") and "CONTINUING DISCLOSURE – Continuing Compliance – The Developer" did not as of its date and do not as of the date hereof contain an untrue statement of a material fact or omit to state a material fact required to be included therein or necessary in order to make the statements contained therein, in light of the circumstances in which they were made, not misleading; provided, however, that no representation is made with respect to information concerning The Depository Trust Company or its book-entry only system or concerning information in the Limited Offering Memorandum under the captions "THE DEVELOPER," "THE DEVELOPMENT," "TAX MATTERS," "LITIGATION – The Developer," and "CONTINUING DISCLOSURE – Continuing Compliance – The Developer." Subject to the foregoing limitations, nothing has come to our attention which would lead us to believe that the Limited Offering Memorandum, as of its date or as of the date hereof contained an untrue statement of a material fact, or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made not misleading.

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

15. To the best of our knowledge, the interest rates on the Bonds are in compliance with the requirements of Section 215.84(3), Florida Statutes.

**IN WITNESS WHEREOF**, we have hereunder set our hands this [\_\_\_\_] day of April, 2020.

By: \_\_\_\_\_  
Timothy Hultgren,  
Chairman, Board of Supervisors  
Charles Cove Community Development District

By: \_\_\_\_\_  
Jennifer L. Walden,  
Secretary, Board of Supervisors  
Charles Cove Community Development District

EXHIBIT D

FORM OF DISTRICT COUNSEL OPINION

April [\_\_], 2020

Charles Cove Community Development District  
City of Haines City, Florida

MBS Capital Markets, LLC  
Winter Park, Florida

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

Re:     \$[\_\_\_\_\_] Charles Cove Community Development District (City of Haines City,  
Florida) Special Assessment Revenue Bonds, Series 2020 (2020 Assessment Area)

Ladies and Gentlemen:

We serve as counsel to the Charles Cove Community Development District (“**District**”), a local unit of special-purpose government established pursuant to the laws of the State of Florida, in connection with the sale by the District of its \$[\_\_\_\_\_] Charles Cove Community Development District (City of Haines City, Florida) Special Assessment Revenue Bonds, Series 2020 (2020 Assessment Area) (“**Bonds**”). This letter is delivered to you pursuant to Section 3.01 of the Master Indenture (defined below), Section 207 of the Supplemental Trust Indenture (defined below), and Section 8(c)(7) of the Bond Purchase Agreement (referenced below), and is effective as of the date first written above. Each capitalized term not otherwise defined herein has the meaning given to it in the Indenture (defined herein).

**A. DOCUMENTS EXAMINED**

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

1. Ordinance 19-1666, enacted by the City Commission of the City of Haines City, Florida, which was effective as of December 5, 2019 (“**Establishment Ordinance**”);
2. the *Master Trust Indenture*, dated as of April 1, 2020 (“**Master Indenture**”), as supplemented by the *First Supplemental Trust Indenture*, dated as of April 1, 2020 (“**Supplemental Trust Indenture**,” and together with the Master Indenture, “**Indenture**”), each by and between the District and U.S. Bank National Association, as trustee (“**Trustee**”);
3. Resolutions Nos. 2020-25 and 2020-[\_\_] adopted by the District on December 11, 2019, and [\_\_\_\_\_] , 2020, respectively (collectively, “**Bond Resolution**”);

4. *Engineer's Report for Capital Improvements*, dated December 4, 2019 ("**Engineer's Report**"), which describes among other things, the "**Project**";
5. the *Master Assessment Methodology, Phase 1* dated December 10, 2019, and the *Supplemental Assessment Methodology, Phase 1* dated [\_\_\_\_], 2020 (collectively, "**Assessment Methodology**");
6. Resolution Nos. 2020-23, 2020-24, 2020-[\_\_] and 2020-[\_\_] (collectively, "**Assessment Resolution**"), establishing the debt service special assessments ("**Debt Assessments**") securing the Bonds;
7. the *Final Judgment* issued on [\_\_\_\_], 2020 and by the Circuit Court for the Tenth Judicial Circuit in and for Polk County, Florida in Case No. [2019]-CA-\_\_\_\_, and Certificate of No Appeal issued on [\_\_\_\_], 2020;
8. the Preliminary Limited Offering Memorandum dated [\_\_\_\_], 2020 ("**PLOM**") and Limited Offering Memorandum dated [\_\_\_\_], 2020 ("**LOM**");
9. certain certifications by MBS Capital Markets, LLC ("**Underwriter**"), as underwriter to the sale of the Bonds;
10. certain certifications of Dave Schmitt Engineering, Inc., as "**District Engineer**";
11. certain certifications of PFM Group Consulting LLC, as "**District Manager**" and PFM Financial Advisors LLC, as "**Assessment Consultant**";
12. general and closing certificate of the District;
13. an opinion of Akerman LLP ("**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. opinion of Shutts & Bowen LLP, counsel to the Developer (defined herein), issued to the District and the Underwriter in connection with the sale and issuance of the Bonds;
16. the following agreements (collectively, "**Bond Agreements**"):
  - (a) the Continuing Disclosure Agreement dated April [\_\_], 2020, by and among the District, D.R. Horton, Inc. ("**Developer**") and a dissemination agent;
  - (b) the Bond Purchase Agreement between Underwriter and the District and dated [\_\_\_\_], 2020 ("**BPA**");
  - (c) the Acquisition Agreement between the District and the Developer and dated April [\_\_], 2020;
  - (d) the Completion Agreement between the District and the Developer and dated April [\_\_], 2020;
  - (e) the True-Up Agreement between the District and the Developer and dated April [\_\_], 2020; and
  - (f) the Collateral Assignment and Assumption of Development Rights between the District and the Developer and dated April [\_\_], 2020;
17. a Declaration of Consent to Jurisdiction executed by the Developer; and
18. such other documents as we have deemed necessary or appropriate in rendering the opinions set forth below.

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

## B. RELIANCE

This opinion is solely for the benefit of (i) the 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 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* (“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) Bonds, (c) 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.

6. **PLOM and LOM** – The District has duly authorized the execution, delivery and distribution by the Underwriter of the PLOM and LOM. To our knowledge, and based upon our review of the PLOM and LOM and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the PLOM and LOM, and as of the date of their respective issuances, and with respect to the PLOM, the date of the BPA, and with respect to the LOM, the date hereof, nothing has come to our attention which would lead us to believe that the PLOM and LOM contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, provided however that the opinions stated herein extend only to the following provisions of the PLOM and LOM: “SECURITY AND SOURCE OF PAYMENT OF SERIES 2020 BONDS – ‘Agreement for Assignment of Development Rights,’ ‘Completion Agreement’ and ‘True-Up Agreement,’” “ENFORCEMENT OF ASSESSMENT COLLECTIONS,” “THE DISTRICT – ‘Legal Powers and Authority’ and ‘Board of Supervisors,’” “ASSESSMENT METHODOLOGY,” “AGREEMENT BY THE STATE,” “LITIGATION – The District,” and “VALIDATION” and further provided however that the opinions stated herein do not extend to any statements that constitute descriptions of the Bonds or the Indenture. No information or opinion is offered as to any remaining provisions of the PLOM or LOM.

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

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

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

#### D. CERTAIN ASSUMPTIONS

In rendering the foregoing opinions, we have assumed the following: (1) that all public records, certifications, agreements and other documents examined by us that have been executed or certified by public officials acting within the scope of their official capacities are authentic, truthful and accurate; (2) that copies of such public records, certifications, agreements, and other documents furnished to us are authentic and conform to the originals; (3) that all signatures on executed public records, certifications, agreements and other documents are genuine; and (4) that all public records, certifications, agreements and other documents have been properly authorized and are binding on each of the other parties thereto. Such assumptions do not apply to District documents.

#### **E. CERTAIN QUALIFICATIONS**

The foregoing opinions are subject to the following qualifications:

1. The opinions or statements expressed above are based solely on the laws of Florida in effect at the time of issuance of the Bonds. Accordingly, we express no opinion nor make any statement regarding the effect or application of the laws of the federal government (including but not limited to the Internal Revenue Code or any proposed changes thereto), or any other state or other jurisdiction.
2. Our opinion as to enforceability of any document is subject to limitations imposed by bankruptcy, insolvency, reorganization, moratorium, liquidation, readjustment of debt, or similar laws, relating to or affecting creditors' rights generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and to the exercise of judicial discretion in appropriate cases, including the fact that specific performance and other equitable remedies are granted only in the discretion of a court.
3. Nothing herein shall be construed as an opinion regarding the possible applicability of state securities or "blue sky" laws or federal securities laws, as to which no opinion is expressed.
4. We further express no opinion as to the necessity for an interest rate waiver under Florida law, or the applicability of any provision or section of the Internal Revenue Code.
5. We express no opinion and make no representations with regard to financial, project, statistical or other similar information or data. We express no opinion as to compliance with any state or federal tax laws.
6. We have not reviewed, and therefore express no opinion, regarding any land use, real property or other related items, including but not limited to whether the Developer is able to convey good and marketable title to any particular real property or interest therein and related to the Project.
7. With respect to any of the opinions set forth in this letter which are based on or qualified by the phrase "to our knowledge," the words "to our knowledge" signify that, in the course of our representation of the District, no facts have come to our attention that would give us actual knowledge that any such opinions or other matters are not accurate. Except to the extent expressly set forth herein, we have not undertaken any independent investigation to determine the existence or absence of any such facts, and no inference as to our knowledge of the existence of such facts should be drawn from the fact of our representation of District.

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

Very truly yours,

HOPPING GREEN & SAMS, P.A.

## EXHIBIT E

### CERTIFICATE OF PFM FINANCIAL ADVISORS LLC

I, \_\_\_\_\_, \_\_\_\_\_ of PFM Financial Advisors LLC, do hereby certify to Charles Cove Community Development District (the "District") and MBS Capital Markets, LLC (the "Underwriter") in connection with the issuance, sale and delivery by the District on this date of its \$[\_\_\_\_\_] Special Assessment Revenue Bonds, Series 2020 (2020 Assessment Area) (the "Bonds"), as follows (terms used and not otherwise defined herein shall have the meaning ascribed to such term in the Limited Offering Memorandum dated [\_\_\_\_\_] 2020 (the "Limited Offering Memorandum") of the District relating to the Bonds):

1. PFM Financial Advisors LLC has acted as Methodology Consultant to the District in connection with the issuance of the Bonds and has been retained by the District to prepare the Master Assessment Methodology, Phase 1 dated December 10, 2019, as supplemented by the Supplemental Assessment Methodology, Phase 1 dated [\_\_\_\_\_] 2020, comprising a part of the Assessment Proceedings (together, the "Report");
2. the Series 2020 Assessments, as initially levied, and as may be reallocated from time to time as permitted by resolutions adopted by the District with respect to the Series 2020 Assessments, are sufficient to enable the District to pay the debt service on the Bonds through the final maturity thereof;
3. the Series 2020 Project provides a special benefit to the properties assessed and the Series 2020 Assessments are fairly and reasonably allocated to the properties assessed;
4. PFM Financial Advisors LLC consents to the use of the Report included as composite Appendix B to the Limited Offering Memorandum;
5. PFM Financial Advisors LLC consents to the references to the firm in the Limited Offering Memorandum;
6. the Report was prepared in accordance with all applicable provisions of Florida law;
7. the information contained in the Limited Offering Memorandum under the subheading "Structure and Prepayment of Series 2020 Assessments" under the heading "THE SERIES 2020 ASSESSMENTS," and under the heading "ASSESSMENT METHODOLOGY" is true and correct in all material respects and such information does not contain any untrue statement of a material fact or omit to state any fact necessary in order to make the statements therein, in light of the circumstances under which they were made not misleading;
8. except as disclosed in the Limited Offering Memorandum, the firm knows of no material change in the matters described in the Report and is of the opinion that the considerations and assumptions used in compiling the Report are reasonable; and
9. the information contained in the Report did not, and does not, contain any untrue statement of a material fact and did not, and does not, omit to state a material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

IN WITNESS WHEREOF, the undersigned has set his hand this [\_\_\_\_] day of April, 2020.

**PFM FINANCIAL ADVISORS LLC**

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT F**

**CERTIFICATE OF PFM GROUP CONSULTING LLC**

I, \_\_\_\_\_, \_\_\_\_\_ of PFM Group Consulting LLC, do hereby certify to Charles Cove Community Development District (the "District") and MBS Capital Markets, LLC (the "Underwriter") in connection with the issuance, sale and delivery by the District on this date of its \$[\_\_\_\_\_] Special Assessment Revenue Bonds, Series 2020 (2020 Assessment Area) (the "Bonds"), as follows (terms used and not otherwise defined herein shall have the meaning ascribed to such term in the Limited Offering Memorandum dated [\_\_\_\_\_] 2020 (the "Limited Offering Memorandum") of the District relating to the Bonds):

1. PFM Group Consulting LLC has acted as District Manager to the District in connection with the issuance of the Bonds;

2. PFM Group Consulting LLC consents to the references to the firm in the Limited Offering Memorandum;

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

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

**IN WITNESS WHEREOF**, the undersigned has set his hand this [\_\_\_\_] day of April, 2020.

**PFM GROUP CONSULTING LLC**

By: \_\_\_\_\_

Name:

Title:

## EXHIBIT G

### FORM OF CERTIFICATE OF DEVELOPER

The undersigned, the duly authorized representative of D.R. Horton, Inc., as the developer (the "Developer") of the Development commonly known as Charles Cove, as described in the Limited Offering Memorandum defined below (the "Development") with respect to Phase 1, does hereby certify to CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT (the "District") and MBS CAPITAL MARKETS, LLC (the "Underwriter") that:

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

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

3. There has been no action taken by or omitted by the Developer that impairs the contemplated transactions by the District with respect to the Series 2020 Bonds, including: (a) the issuance and sale of the Series 2020 Bonds upon the terms set forth in the Bond Purchase Agreement; (b) the approval of the Limited Offering Memorandum and the signing of the Limited Offering Memorandum by a duly authorized officer of the District; (c) the acquisition and/or construction of the Series 2020 Project (as described in the Limited Offering Memorandum); and (d) the execution, delivery and receipt of the Bond Purchase Agreement, the Series 2020 Bonds, the Master Trust Indenture, dated as of April 1, 2020 (the "Master Indenture"), and the First Supplemental Trust Indenture, dated as of April 1, 2020 (the "First Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), the Continuing Disclosure Agreement, the True-Up Agreement, the Acquisition Agreement, the Completion Agreement, the Declaration of Consent to Jurisdiction and to Imposition of Series 2020 Assessments (the "Declaration of Consent"), the Collateral Assignment and Assumption of Development Rights (the "Collateral Assignment") and any and all such other agreements or documents as may be required to be executed, delivered and received by the District in order to carry out, give effect to, and consummate the transactions contemplated by the Limited Offering Memorandum and the Indenture. The Developer acknowledges and consents to those provisions of the Bond Purchase Agreement which reference it.

4. The consummation of the transactions described in the Limited Offering Memorandum does not on the date hereof and will not at the time of such consummation, conflict with or constitute on

the part of the Developer a breach or violation of the terms and provisions of, or constitute a default under any existing agreement or indenture, mortgage, lease, deed of trust, note or other instrument, to which the Developer is subject or by which it or its properties are or may be bound. The consummation of the transactions described in the Limited Offering Memorandum does not, on the date hereof, and will not at the time of such consummation, to the best of the Developer's knowledge, conflict with or constitute on the part of the Developer a breach or violation of the terms and provisions of, or constitute a default under any existing constitution, laws, court or administrative rule or regulations, to which it is subject, or any decree, order or judgment to which it is a party or by which it is bound in force and effect on the date hereof, which would have a material adverse effect on the Series 2020 Bonds or the Development.

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

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

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

8. The Developer is complying in all material respects with all provisions of applicable law in all material matters relating to the Development and the District and its undertaking as described in the Limited Offering Memorandum and the Indenture including applying for all necessary permits. The Developer hereby certifies that: (a) it has the appropriate land use and zoning approvals under the City of Haines City, Florida [**Growth Management Plan and Land Development Code**] to permit the development of the Phase 1 CIP and the construction of the improvements as described in the Limited Offering Memorandum under the heading of "THE DEVELOPMENT," (b) the Developer is not in default of any zoning condition, permit or development agreement which would materially adversely affect the District's ability to complete development of the Phase 1 CIP (as described in the Limited Offering Memorandum) or the Developer's ability to construct the Development as described in the Limited Offering Memorandum under the heading "THE DEVELOPMENT," and (c) assuming compliance by the Developer with the material conditions of the City of Haines City, Florida [**Growth Management Plan and Land Development Code**] (subject to applicable future permitting requirements and dedications as identified in the Limited Offering Memorandum) and upon issuance of applicable future permits, the Developer will be able to develop the Development as described in the Limited Offering Memorandum.

**IN WITNESS WHEREOF**, the undersigned have hereunto set our hands for and on behalf of the Developer as of this [\_\_\_\_] day of April, 2020.

**D.R. HORTON, INC.**, a Delaware corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT H**

**FORM OF OPINION OF COUNSEL TO DEVELOPER**

April \_\_, 2020

Charles Cove Community Development District  
City of Haines City, Florida

MBS Capital Markets, LLC  
Winter Park, Florida

Re: Charles Cove Community Development District Special Assessment Revenue Bonds,  
Series 2020 (2020 Assessment Area)

Ladies and Gentlemen:

We are counsel to D.R. Horton, Inc., a Delaware corporation (the "Developer"), which is the developer of the property legally described in Exhibit A hereto ("Phase 1") consisting of approximately 120 acres within the residential development commonly known as Charles Cove (the "Development") located within the City of Haines City, Florida, and within the jurisdictional boundaries of the Charles Cove Community Development District (the "District"). We have served as counsel to the Developer in connection with the issuance by the District of its Special Assessment Revenue Bonds, Series 2020 (2020 Assessment Area) in the principal amount of \$[\_\_\_\_\_] (the "Bonds") as described in the Limited Offering Memorandum dated [\_\_\_\_\_] , 2020 (the "Offering Memorandum"). The Bonds were purchased from the District by MBS Capital Markets, LLC (the "Underwriter") pursuant to that certain Bond Purchase Agreement, [\_\_\_\_\_] , 2020 (the "Purchase Agreement"). The Bonds are being issued under and pursuant to the Master Trust Indenture, dated as of April 1, 2020 (the "Master Indenture"), as particularly supplemented and amended by the First Supplemental Trust Indenture, dated as of April 1, 2020 (the "First Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each between the District and U.S. Bank National Association, as trustee (the "Trustee"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Indenture.

This opinion letter is furnished to you pursuant to Section 8(c)(11) of the Purchase Agreement.

In our capacity as counsel to the Developer, we have examined and are familiar with the following documents (collectively, the "Transaction Documents") relating to the Bonds:

(a) The [Declaration of Consent to Jurisdiction of Charles Cove Community Development District and to Imposition of Special Assessments] effective April [\_\_\_], 2020, executed and delivered by the Developer;

(b) the [Agreement By and Between the Charles Cove Community Development District and the Developer Regarding the Acquisition of Certain Work Product and Infrastructure] made and entered into as of April [\_\_\_], 2020;

(c) the [Completion Agreement Between Charles Cove Community Development District and the Developer Regarding the Completion and Conveyance of Certain Improvements] made and entered into as of April [\_\_], 2018;

(d) the [Agreement Between Developer and Charles Cove Community Development District Regarding the True Up and Payment for Special Assessment Bonds, Series 2020 (2020 Assessment Area)] made and entered into as of April [\_\_], 2020;

(e) the [Collateral Assignment and Assumption of Development Rights] dated April [\_\_], 2020;

(f) the Continuing Disclosure Agreement dated April [\_\_], 2020, executed and delivered by the District, the Developer and the Dissemination Agent (as defined therein); and

(g) the Certificate of the Developer dated April [\_\_], 2020, executed by the Developer in connection with the issuance of the Bonds by the District.

We have also relied upon the following documents and materials (collectively, the "Certificates"):

(h) Articles of Incorporation for D.R. Horton, Inc., certified by [\_\_\_\_];

(i) Certificate of Good Standing in the State of [\_\_\_\_] for D.R. Horton, Inc., certified by [\_\_\_\_] as of [\_\_\_\_], 2020; and

(j) Certificate to Counsel from the Developer as attached hereto as Exhibit B.

Additionally, in our capacity as counsel to the Developer in connection with the District's issuance of the Bonds, we have made such examination of law as we have deemed necessary or appropriate in rendering the opinions set forth below.

For purposes of rendering the opinions contained in this opinion letter, we have not reviewed any documents other than the documents listed above. We have also not reviewed any documents that may be referred to in or incorporated by reference into any of the documents listed above.

This opinion letter has been prepared and is to be construed in accordance with the Report on Third-Party Legal Opinion Customary Practice in Florida, dated December 3, 2011 (the "Report"). The Report is incorporated by reference into this opinion letter.

In rendering the opinions set forth herein, we have assumed with your permission, and without undertaking any independent investigation, that:

(i) The execution, delivery and performance of the Transaction Documents does not violate or conflict with any order, writ, injunction or decree of any court, administrative agency or other governmental authority applicable to the Developer.

(ii) The Developer will obtain all permits and governmental approvals required in the future, and take all actions similarly required, relevant to the performance of the Transaction Documents.

In rendering the opinions set forth herein, we have further assumed with your permission the genuineness of all signatures other than those of the Developer, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed or photostatic copies, and the legal capacity of all natural persons. In our examination of any of the Transaction Documents executed by entities other than Developer, we have assumed that each such other entity has the power to execute and deliver such Transaction Documents and that such other entity has the power to perform all of its obligations thereunder; and also have assumed the due authorization by each such entity of all requisite action and the due execution and delivery of such documents by each such entity; and that such Transaction Documents constitute the legal, valid and binding obligations or undertakings of each such entity.

We have further relied upon certificates and representations made by the Developer and the Developer's representatives and the parties to this transaction described in the Offering Memorandum.

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

1. The Developer is a corporation duly organized and validly existing and in good standing under the laws of the State of Delaware and is authorized to do business in the State of Florida.
2. The execution, delivery and performance by the Developer of the Transaction Documents are within the power of the Developer and have been duly authorized by entity action.
3. Each of the Transaction Documents is a legal, valid and binding obligation of the Developer, enforceable under the laws of the State of Florida in accordance with its terms.
4. The execution and delivery of the Transaction Documents by the Developer and consummation of the obligations of the Developer thereunder do not: (i) constitute a breach or violation of the Developer's organizational documents, (ii) conflict with any Florida law or (iii) based solely in reliance on the Certificates, constitute a breach of or default under any existing agreement, indenture, mortgage or other instrument to which the Developer is subject or by which its assets are or may be bound.
5. The Developer has the power and authority to undertake the development of the Phase 1 CIP as described in the Offering Memorandum, except for the obtaining of necessary permits and governmental approvals for construction to be issued in the ordinary course, and we are not aware of any action taken or omitted by the Developer that would cause or give reason for such permits or governmental approvals not to be issued or obtained.
6. The property constituting the Development is zoned as described in the Offering Memorandum. Phase 1 has [\_\_\_\_] approval from the City of Haines City, Florida, to allow for the development of the [550] residential units as described in the Offering Memorandum.

7. [Based on a review of that certain Ownership and Encumbrance Report issued by [First American Title Insurance Company], File No. \_\_\_\_\_, dated through [\_\_\_\_], 2020 @ [\_\_\_\_] a.m., and updated through [\_\_\_\_], 2020 @ [\_\_\_\_] a.m., as attached hereto as Exhibit A (the "Title Report"), without independent inquiry, fee simple title to Phase 1 is held by the Developer and is subject only to the liens, encumbrances, easements and agreements set forth in the Title Report. The opinion in this paragraph is given as of the date of and in reliance upon the Title Report, and we disclaim any obligation to advise you of any change which thereafter may have been brought to our attention. We offer no opinion as to the correctness of the Title Report and have undertaken no independent verification as to the title to the Phase 1.]

8. [To the best of our knowledge, based on inquiry with [\_\_\_\_\_] and the United States District Court for the Middle District of Florida as of [\_\_\_\_], 2020, there was no action, suit or proceeding, at law or in equity, pending before the Tenth Judicial Circuit in and for Polk County, Florida or before the United States District Court for the Middle District of Florida for which the Developer has received actual notice or, to our knowledge, threatened, against the Developer which, if successful would: (a) restrain or enjoin the Developer from executing and delivering any of the Transaction Documents, (b) render invalid or unenforceable one or more of the Transaction Documents or the obligations of the Developer contemplated thereunder, (c) affect the existence of the Developer or the election or appointment of any of its officers or directors, (d) negatively impact the corporate powers of the Developer or the Developer's assets or financial condition in such manner as to materially adversely affect the Developer's ability to perform its obligations under the Transaction Documents or develop Phase 1 as described in the Offering Memorandum.]

9. To our knowledge, the Developer has not taken any action that would preclude the sale or issuance of the Bonds by the District or the construction or acquisition by the District of the Series 2020 Project (as defined in the Offering Memorandum).

10. With respect to the information in the Offering Memorandum, we have not undertaken any independent investigation or verification of, and therefore are not passing upon or assuming responsibility for, the accuracy, completeness, fairness or sufficiency of the Offering Memorandum, including (i) any financial, statistical or economic data contained anywhere therein, (ii) any exhibit, appendix and attachment thereto and (iii) with respect to DTC and its book-entry only system. We have had general discussions with representatives of the Developer concerning the Offering Memorandum and in the course of our discussions and limited participation as of the date hereof, no facts have come to our attention that cause us to believe that the information set forth in the Offering Memorandum under the captions "THE DEVELOPMENT," "THE DEVELOPER" and "LITIGATION - The Developer" (solely as to the Developer and the Development and excluding information regarding the District, Fees and Assessments, Competition, and any financial, statistical or economic data therein as to which we express no opinion), as of the date of the Offering Memorandum or as of the date hereof, contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

11. The Developer has not made an assignment for the benefit of creditors, filed a petition in bankruptcy, petitioned or applied to any tribunal for the appointment of a custodian, receiver or any

trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute. To our knowledge, the Developer has not indicated its consent to, or approval of, any petition in bankruptcy, application or proceeding or order for relief or the appointment of a custodian, receiver or any trustee.

The opinions expressed above are based solely on the laws of the State of Florida as of the date hereof. Accordingly, we express no opinion nor make any statement regarding the effect or application of the law of any other state or jurisdiction.

No opinion is rendered hereunder as to the accuracy of the representations or warranties contained in the Transaction Documents.

Our opinion set forth above as to the enforceability of any of the Transaction Documents is subject to limitations imposed by bankruptcy, insolvency, reorganization, moratorium 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.

Our opinions expressed herein are predicated upon present laws, facts and circumstances, and we do not undertake or assume any obligation to update any matters contained herein or to update or supplement the opinions expressed herein to reflect any changes in facts or circumstances that may hereafter come to our attention or any changes in laws that may hereafter occur though such change may affect one or more of the opinions expressed herein. This opinion is furnished by us as counsel to the Developer and is solely for the benefit of the addressees herein in connection with the issuance of the Bonds and shall not extend to, and may not be relied upon by, any other person or entity (regardless of whether such other person or entity is related to or affiliated with any of the addressees) without the express written consent of Shutts & Bowen LLP. The delivery of this opinion to the addressees does not create, and shall not be deemed to create, an attorney-client relationship.

Respectfully submitted,  
SHUTTS & BOWEN LLP  
Orlando, Florida

EXHIBIT A

Ownership and Encumbrance Report  
with Legal Description

EXHIBIT B

Certificate to Counsel

Dated: April [ ], 2020

The undersigned, \_\_\_[NAME]\_\_\_, in [his/her] capacity as \_\_\_[TITLE]\_\_\_ of and on behalf of D.R. Horton, Inc. referred to herein as the "**Client**"), hereby states the following in order to induce Shutts & Bowen, LLP (the "**Opining Counsel**") to provide the opinion letter (the "**Opinion Letter**") to Charles Cove Community Development District (the "**District**") and MBS Capital Markets, LLC (the "**Underwriter**"), the form of which has been provided to the Client, based, in part, on the factual matters set forth in this Certificate to Counsel (this "**Certificate**"). Unless otherwise defined herein, capitalized terms set forth in the Opinion Letter shall have the same meanings when used herein.

1. Knowledge. I am familiar with the Transaction Documents (as defined in the Opinion Letter) relating to the issuance of the Bonds. I have knowledge of all of the facts contained herein and therein or I have obtained such information from the officers of D.R. Horton, Inc. and of the Client whose duties require them to have personal knowledge thereof.
2. Representations and Warranties True and Correct. The representations and warranties of the Client as set forth in the Transaction Documents are true, correct, and complete, in all material respects, as of the date of this Certificate, with the same effect as if made on the date of this Certificate. The Client hereby consents to Opining Counsel's reliance on such representations and warranties.
3. Actions. The Client, D.R. Horton, Inc. has duly taken all necessary and required actions, corporate or otherwise, for the execution, delivery and performance of the Transaction Documents and for the construction by the Client of the Development as described in the Offering Memorandum. The Client has the power and authority to enter into and perform its obligations under the Transaction Documents.
4. Signatory; Binding Agreement. \_\_\_[NAME]\_\_\_, the \_\_\_[TITLE]\_\_\_ for D.R. Horton, Inc., has been duly authorized to sign the Transaction Documents on behalf of the Client, and has, in fact, signed the Transaction Documents. The Client's intent to enter into a binding agreement is demonstrated by such signature, and the Client has delivered to the District and/or the Underwriter the executed Transaction Documents with the intent that each creates a legal, valid and binding obligation on the part of the Client enforceable under the laws of the State of Florida in accordance with its respective terms.
5. No Breach or Conflict Created. The undersigned is not aware, nor has the Client received any notices, that the execution, delivery or performance of any of the Transaction Documents: (i) constitutes a breach or violation of any of the Client's organizational documents, including the Organizational Documents (ii) conflicts with any Florida law or (ii) constitutes a breach of or default under any existing agreement, indenture, mortgage or other instrument to which the Client is subject or by which its assets are or may be bound.

6. No Dissolution or Bankruptcy. No action has been taken by the Client in contemplation of any liquidation or dissolution of the Client and no such actions are being contemplated. No proceedings have been commenced in bankruptcy for the reorganization or liquidation of the Client, nor has the Client made an assignment for the benefit of its creditors or applied to any tribunal for the appointment of a custodian, receiver or any trustee. The Client as not indicated its consent to, or approval of, any petition in bankruptcy, application or proceeding or order for relief or the appointment of a custodian, receiver or any trustee. To the undersigned's knowledge, no action has been taken by any department or agency of the State of Delaware or the State of Florida to administratively dissolve the Client and the Client has not received any notification from any department or agency of the State of Delaware or the State of Florida to this effect.
7. Accuracy of Statements. The undersigned hereby certifies that he is not aware of any facts that could render any of the foregoing statements to be untrue or incomplete in any respect.
8. Consent. The Client has reviewed the form of the Opinion Letter and hereby consents to the issuance of the Opinion Letter. The Client also consents to the delivery of this Certificate to the District and the Underwriter.
9. Reliance. This Certificate is issued solely for the benefit of Opining Counsel and may not be relied upon by any party other than Opining Counsel. This Certificate may be relied upon by Opining Counsel in connection with rendering the Opinion Letter.

**WHEREFORE**, the undersigned hereunto set his hand as of the date first above written.

**D.R. HORTON, INC.**, a Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT I

CERTIFICATE OF ISSUER'S CONSULTING ENGINEER

April [\_\_], 2020

Board of Supervisors  
Charles Cove Community Development District  
City of Haines City, Florida

MBS Capital Markets, LLC  
Winter Park, Florida

Re: Charles Cove Community Development District Special Assessment  
Revenue Bonds, Series 2020 (2020 Assessment Area) (the "Bonds")

Ladies and Gentlemen:

The undersigned serves as the Consulting Engineer to the Charles Cove Community Development District (the "District"). This Certificate is furnished pursuant to Section 8(c)(12) of the Bond Purchase Agreement dated [\_\_\_\_], 2020 between the District and MBS Capital Markets, LLC (the "Bond Purchase Agreement") relating to the sale of the Bonds. Terms used herein in capitalized form and not otherwise defined herein shall have the meaning ascribed thereto in said Bond Purchase Agreement or in the Limited Offering Memorandum dated [\_\_\_\_], 2020 relating to the Bonds (the "Limited Offering Memorandum").

1. Dave Schmitt Engineering, Inc. (the "Firm") has been retained by the District to serve as the Consulting Engineer and to prepare the Engineer's Report dated December 4, 2019 (the "Engineer's Report") included as an appendix to the Limited Offering Memorandum. Consent is hereby given to the references to the Firm and the Engineer's Report in the Limited Offering Memorandum and to the inclusion of the Engineer's Report as an appendix to the Limited Offering Memorandum.

2. The Engineer's Report was prepared in accordance with generally accepted engineering practices. It is our professional opinion that the Capital Improvement Program ("CIP"), as defined in the Engineer's Report, is feasible and that the cost estimates contained therein are reasonable and represent the estimated actual cost of construction of the improvements and work product. Further, the CIP, which includes the Phase 1 CIP and Series 2020 Project (which is a portion of the Phase 1 CIP), represents a system of improvements benefitting all lands within the District.

3. In connection with the preparation of the Engineer's Report personnel of the Firm participated in meetings with representatives of the District and its counsel, Bond Counsel, the Underwriter and its counsel and others in regard to the CIP. The Series 2020 Project consists solely of infrastructure and other improvements set forth in the Act. Nothing has come to the attention of the Firm in relation to our engagement as described in this paragraph which would cause us to believe that the Engineer's Report was, as of its date, or is as of the date hereof, or any

of the statements in the Limited Offering Memorandum specifically attributed to the Firm were, as of the respective date of the Limited Offering Memorandum, or are as of the date hereof, inaccurate in any material respect.

4. The information contained in the Limited Offering Memorandum under the heading "THE CAPITAL IMPROVEMENT PROGRAM AND THE SERIES 2020 PROJECT" and in Appendix "A" to the Limited Offering Memorandum are accurate statements and fairly present the information purported to be shown, and nothing has come to the attention of the Firm that would lead it to believe that such section and appendix contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements, in light of the circumstances in which they were made, not misleading.

5. Except as described in the Engineer's Report, all permits, consents or licenses, and all notices to or filings with governmental agencies necessary for the construction and acquisition of the Phase 1 CIP as described in the Limited Offering Memorandum required to be obtained or made have been obtained or it is reasonable to believe that they will be obtained or made when required. There is no reason to believe that any permits, consents, licenses or governmental approvals required to complete any portion of the Phase 1 CIP as described in the Limited Offering Memorandum will not be obtained as required. There is no reason to believe that the necessary water and sewer capacity will not be available when needed to permit the development of the Development as described in the Limited Offering Memorandum.

**DAVE SCHMITT ENGINEERING, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT J

FORM OF ISSUE PRICE CERTIFICATE

\$\_[\_\_\_\_\_]

CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT  
(City of Haines City, Florida)

SPECIAL ASSESSMENT REVENUE BONDS,  
SERIES 2020 (2020 ASSESSMENT AREA)

The undersigned, on behalf of MBS CAPITAL MARKETS, LLC (“MBS”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. **Sale of the Bonds.** As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. **Defined Terms.**

(a) Issuer means Charles Cove Community Development District.

(b) Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [\_\_\_\_\_], 2020.

(e) Underwriter means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The requirement that the Series 2020 Reserve Account be funded in the amount of the initial Series 2020 Reserve Account Requirement is necessary and a vital factor in marketing the bonds and in obtaining the interest rates obtained which rates are comparable to that for other bonds issued of the same character priced on the same date.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents MBS' interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

MBS CAPITAL MARKETS, LLC

By: \_\_\_\_\_  
Brett Sealy, Managing Partner

Dated: [\_\_\_\_\_] , 2020

**SCHEDULE A  
SALE PRICES OF THE BONDS**

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

**EXHIBIT C**

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED MARCH \_\_, 2020

NEW ISSUE - BOOK-ENTRY ONLY

NOT RATED

*In the opinion of bond counsel, assuming compliance by the District with certain covenants and the accuracy of certain representations included in the closing transcript for the Series 2020 Bonds, under existing statutes, regulations, and judicial decisions, the interest on the Series 2020 Bonds will, under Section 103 of the Internal Revenue Code of 1986, as amended, be excludable from gross income for federal income tax purposes of the holders thereof and will not be a specific preference item for purposes of the federal alternative minimum tax. See "TAX MATTERS" herein for a description of other tax consequences to holders of the Series 2020 Bonds.*

**CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT  
(CITY OF HAINES CITY, FLORIDA)**

\$\_[\_\_\_\_\_]\*

**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020  
(2020 ASSESSMENT AREA)**

**Dated: Date of delivery**

**Due: May 1 or November 1, as shown below**

The \$\_[\_\_\_\_\_]\* Charles Cove Community Development District Special Assessment Revenue Bonds, Series 2020 (2020 Assessment Area) (the "Series 2020 Bonds") are being issued by the Charles Cove Community Development District (the "District") pursuant to a Master Trust Indenture dated as of April 1, 2020 (the "Master Indenture") between the District and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by a First Supplemental Trust Indenture dated as of April 1, 2020, between the District and the Trustee (the "First Supplement" and, together with the Master Indenture, the "Indenture"). The Series 2020 Bonds are being issued initially in the form of a separate single certificated fully registered bond for each maturity thereof, in denominations of \$5,000 or any integral multiple thereof; provided, however, that delivery of the Series 2020 Bonds to the initial purchasers thereof shall be in principal amounts of \$100,000 or integral multiples of \$5,000 in excess of \$100,000. The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, the Florida Constitution and other applicable provisions of law (collectively, the "Act"), and Ordinance No. 19-1666, effective on December 5, 2019, by the City Commissioners of the City of Haines City, Florida, Florida (the "City").

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

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

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\* Preliminary, subject to change.

a 360-day year comprised of twelve thirty-day months. Interest on the Series 2020 Bonds is payable on each May 1 and November 1, commencing November 1, 2020.

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

The Series 2020 Bonds are being issued to: (i) finance the Cost of acquisition, construction, installation and equipping of the Series 2020 Project (as defined herein); (ii) pay certain costs associated with the issuance of the Series 2020 Bonds; (iii) pay a portion of the interest accruing on the Series 2020 Bonds; and (iv) fund the 2020 Reserve Account as described herein.

THE SERIES 2020 BONDS AND THE OBLIGATIONS EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE DISTRICT, INCLUDING, WITHOUT LIMITATION, THE SERIES 2020 PROJECT IN RESPECT OF WHICH ANY SUCH SERIES 2020 BONDS ARE BEING ISSUED, OR ANY PART THEREOF, BUT SHALL CONSTITUTE A LIEN ONLY ON THE 2020 TRUST ESTATE. NOTHING IN THE SERIES 2020 BONDS SHALL BE CONSTRUED AS OBLIGATING THE DISTRICT TO PAY THE SERIES 2020 BONDS OR THE REDEMPTION PRICE THEREOF OR THE INTEREST THEREON EXCEPT FROM THE 2020 TRUST ESTATE, OR AS PLEDGING THE FAITH AND CREDIT OF THE DISTRICT, THE CITY, POLK COUNTY, FLORIDA (THE "COUNTY"), THE STATE OF FLORIDA (THE "STATE") OR ANY OTHER POLITICAL SUBDIVISION THEREOF, OR AS OBLIGATING THE DISTRICT, THE CITY, THE COUNTY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS, DIRECTLY OR INDIRECTLY OR CONTINGENTLY, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR.

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

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

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

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

**MBS CAPITAL MARKETS, LLC**

Dated: \_\_\_\_\_, 2020

\* Preliminary, subject to change.

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

**RED HERRING LANGUAGE:**

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

**CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT**

**BOARD OF SUPERVISORS**

Timothy Hultgren\*, Chairman  
Branden Eckenrode\*, Vice Chairman  
Christopher Wrenn\*, Assistant Secretary  
Bradley Kingsley\*, Assistant Secretary  
Sean Bailey\*, Assistant Secretary

**DISTRICT MANAGER**

PFM Group Consulting LLC  
Orlando, Florida

**ASSESSMENT CONSULTANT**

PFM Financial Advisors LLC  
Orlando, Florida

**DISTRICT COUNSEL**

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

**CONSULTING ENGINEER**

Dave Schmitt Engineering, Inc.  
Orlando, Florida

**BOND COUNSEL**

Akerman LLP  
Orlando, Florida

**COUNSEL TO THE UNDERWRITER**

Bryant Miller Olive P.A.  
Orlando, Florida

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\* Employee of the Developer or one of its affiliates.

## REGARDING USE OF THIS LIMITED OFFERING MEMORANDUM

NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT, THE STATE OR THE UNDERWRITER TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY ANY OF THE FOREGOING. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE SERIES 2020 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE DISTRICT, THE DISTRICT MANAGER, THE DEVELOPER, THE CONSULTING ENGINEER, THE ASSESSMENT CONSULTANT AND OTHER SOURCES THAT ARE BELIEVED BY THE UNDERWRITER TO BE RELIABLE. THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS LIMITED OFFERING MEMORANDUM. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. THE DISTRICT, THE DISTRICT MANAGER, THE DEVELOPER, THE CONSULTING ENGINEER AND THE ASSESSMENT CONSULTANT WILL, AT CLOSING, DELIVER CERTIFICATES CERTIFYING THAT CERTAIN OF THE INFORMATION EACH SUPPLIED DOES NOT CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT OR OMIT TO STATE A MATERIAL FACT REQUIRED TO BE STATED HEREIN OR NECESSARY TO MAKE THE STATEMENTS HEREIN, IN LIGHT OF THE CIRCUMSTANCES UNDER WHICH THEY WERE MADE, NOT MISLEADING. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE WITH RESPECT TO THE MATTERS DESCRIBED HEREIN SINCE THE DATE HEREOF.

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

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

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

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

THIS LIMITED OFFERING MEMORANDUM IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: [WWW.MUNIOS.COM](http://WWW.MUNIOS.COM) AND [WWW.EMMA.MSRB.ORG](http://WWW.EMMA.MSRB.ORG). THIS LIMITED OFFERING MEMORANDUM MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITE.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS LIMITED OFFERING MEMORANDUM FOR ANY PURPOSE INCLUDING FOR PURPOSES OF RULE 15C2-12 PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION.

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

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

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

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APPENDICES:

APPENDIX A – ENGINEER'S REPORT  
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LIMITED OFFERING MEMORANDUM

*relating to*

CHARLES COVE COMMUNITY DEVELOPMENT DISTRICT  
(CITY OF HAINES CITY, FLORIDA)

\$( \_\_\_\_\_ )  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020  
(2020 ASSESSMENT AREA)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices hereto, is to set forth certain information concerning the Charles Cove Community Development District (the "District"), in connection with the offering and issuance of its Charles Cove Community Development District Special Assessment Revenue Bonds, Series 2020 (2020 Assessment Area) (the "Series 2020 Bonds"). The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, the Florida Constitution, and other applicable provisions of law (collectively, the "Act"), and Ordinance No. 19-1666, enacted by the City Commissioners of the City of Haines City, Florida (the "City") effective on December 5, 2019 (the "Ordinance"). The Series 2020 Bonds are being issued pursuant to the Act and a Master Trust Indenture dated as of April 1, 2020 (the "Master Indenture") between the District and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by a First Supplemental Trust Indenture dated as of April 1, 2020, between the District and the Trustee (the "First Supplement" and, together with the Master Indenture, the "Indenture") and resolutions of the District authorizing the issuance of the Series 2020 Bonds. All capitalized terms used in this Limited Offering Memorandum that are defined in the Indenture and not defined herein shall have the respective meanings set forth in the forms of the Master Indenture or First Supplement, both of which appear as composite APPENDIX C attached hereto. The information contained in this Introduction is part of this Limited Offering Memorandum and is subject in all respects to the more complete information contained in or incorporated into this Limited Offering Memorandum. This Introduction should not be considered a complete statement of the facts material to making an investment decision. This Limited Offering Memorandum speaks only as of its date and the information contained herein is subject to change.

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

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

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\* Preliminary, subject to change.

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

Consistent with the requirements of the Indenture and the Act, the Series 2020 Bonds are being issued for the primary purpose of paying the costs of the Series 2020 Project (hereinafter defined) which is a portion of the Phase 1 CIP that forms a part of the Capital Improvement Program ("CIP") adopted by the District, which CIP is described in APPENDIX A – ENGINEER'S REPORT. The CIP includes stormwater management facilities, electrical and lighting, roadways, offsite improvements, entry features, landscaping, irrigation, amenities and parks, and fees associated with related professional services. Proceeds of the Series 2020 Bonds will be utilized to (i) acquire and construct portions of the Phase 1 CIP (such funded portion is referred to herein as the "Series 2020 Project") pay certain costs associated with the issuance of the Series 2020 Bonds, (ii) make a deposit into the 2020 Reserve Account in an amount equal to the 2020 Reserve Account Requirement (hereafter defined) and (iii) pay a portion of the interest to come due on the Series 2020 Bonds.

The Series 2020 Bonds are payable from and secured by the revenues derived by the District from the Series 2020 Assessments (the "2020 Pledged Revenues") and amounts in the Funds and Accounts (except for the 2020 Rebate Account and 2020 Cost of Issuance Account) established under the Indenture (the "2020 Pledged Funds" and, together with the 2020 Pledged Revenues, the "2020 Trust Estate"). Series 2020 Assessments will be levied and collected on the lands within Phase 1 (hereinafter defined) in the District since such lands are specifically benefited by the Series 2020 Project. See "ASSESSMENT METHODOLOGY" and "APPENDIX B – ASSESSMENT REPORT" attached hereto.

The Series 2020 Assessments represent an allocation of the costs of the Series 2020 Project financed by the Series 2020 Bonds to Phase 1 in accordance with the Master Assessment Methodology Phase 1 dated December 10, 2019 (the "Phase 1 Master Report"), as supplemented by the Supplemental Assessment Methodology Phase 1 dated [\_\_\_\_\_], 2020 (the "Supplemental Report"), each prepared by PFM Financial Advisors LLC (collectively, the "Assessment Report"). The Assessment Report is attached hereto as APPENDIX B.

Other than Bonds issued to refund a portion of Outstanding Series 2020 Bonds, the issuance of which, as determined by the District, results in present value debt service savings, the District has agreed in the Indenture that it shall not, while any Series 2020 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the 2020 Trust Estate. The District has further covenanted not to issue any other Bonds or other debt obligations secured by Special Assessments on assessable lands which are also encumbered by the Series 2020 Assessments for any capital project unless the Series 2020 Assessments have been Substantially Absorbed; provided, however, that the foregoing shall not preclude the imposition of Special Assessments on property subject to the Series 2020 Assessments which as determined by the District, are necessary for health, safety, and welfare reasons or to remediate a natural disaster. The District may issue Bonds or other debt obligations secured by Special Assessments on assessable lands not encumbered by the Series 2020 Assessments without limitation except as limited by the documents pursuant to which such Bonds or debt are issued. "Substantially Absorbed" means the date at least 90% of the principal portion of the Series 2020 Assessments have been assigned to residential units that have received certificates of occupancy.

The Series 2020 Bonds are subject to optional, mandatory sinking fund and extraordinary mandatory redemption at the times, in the amounts and at the redemption price as more fully described herein. See "DESCRIPTION OF THE SERIES 2020 BONDS - Redemption Provisions" herein.

There follows in this Limited Offering Memorandum a brief description of the District, the CIP, the Phase 1 CIP and the Development, D.R. Horton, Inc. (the "Developer"), together with summaries of the terms of the Indenture, the Series 2020 Bonds and certain provisions of the Act. All references herein to the Indenture and the Act are qualified in their entirety by reference to such documents or statutes and all references to the Series 2020 Bonds are qualified by reference to the form thereof and the information with respect thereto contained in the Indenture. Forms of the Master Indenture and the First Supplement are attached hereto as composite APPENDIX C. The information herein under the captions "THE DEVELOPMENT," "THE DEVELOPER" and "LITIGATION – The Developer" has been furnished by the Developer and has been included herein without independent investigation by the District or District Counsel, Bond Counsel, or the Underwriter or its counsel, and the District and the Underwriter make no representation or warranty concerning the accuracy or completeness of such information. The Developer makes no representation or warranty as to the accuracy or completeness of information contained herein which has been furnished by any party to the transactions contemplated hereby other than the Developer.

### **SUITABILITY FOR INVESTMENT**

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

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

### **THE DISTRICT**

#### **General**

The District was established pursuant to the Ordinance. The District is an independent local unit of special-purpose government created in accordance with Act. The District currently encompasses approximately 184.10 acres (the "District Lands").

#### **Legal Powers and Authority**

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

As a community development district, the District only has those powers specifically delegated to it by the Act and the Ordinance, or necessarily implied from powers specifically delegated to it. The Act provides that community development districts have the power to issue general obligation, revenue and special assessment revenue debt obligations in any combination to pay all or part of the cost of infrastructure improvements authorized under the Act. The Act further provides that community development districts have the power under certain conditions to levy and assess ad valorem assessments or non-ad valorem assessments, including the Series 2020 Assessments, on all taxable real and tangible personal property within their boundaries to pay the principal of and interest on debt obligations issued and to provide for any sinking or other funds established in connection with any such debt obligation issues. Pursuant to the Act, such assessments may be assessed, levied, collected and enforced in the same manner and time as county property taxes.

Among other provisions, the Act grants the District special powers relating to public improvements and community facilities, authorizing the District to (a) finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems, facilities and basic infrastructure for: (i) water management and control for lands within the District and to connect some or any of such facilities with roads and bridges; (ii) water supply, sewer and wastewater management reclamation and re-use systems or any combination thereof and to construct and operate connecting intercept or outlet sewers and sewer mains and pipes and water mains, conduits, or pipelines in, along, and under any street, alley, highway, or other public place or ways, and to dispose of any effluent, residue, or other byproducts of such system or sewer system; (iii) 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 (iv) District roads equal to or exceeding the applicable specifications of the county in which such district roads are located; roads and improvements to existing public roads that are owned by or conveyed to the local general-purpose government, the state, or the Federal Government; street lights; alleys; landscaping; hardscaping; and the undergrounding of electric utility lines; and (v) with the consent of the local general-purpose government within the jurisdiction of which the power is to be exercised, parks and facilities for indoor and outdoor recreational, cultural, and educational uses and security, including, but not limited to, guardhouses, fences and gates; (b) borrow money and issue bonds of the District; (c) levy and collect special assessments; (d) impose and foreclose special assessment liens as provided in the Act; and (e) exercise all other powers, necessary, convenient, incidental or proper in connection with any of the powers or duties of the District authorized by the Act.

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

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

**Board of Supervisors**

The governing body of the District is its Board of Supervisors (the "Board"), which is composed of five Supervisors (the "Supervisors"). Ownership of the land within the District initially entitles landowners to elect Supervisors to the Board based on a one vote per acre basis (with fractions thereof rounded upward

to the nearest whole number). Upon six (6) years after the initial appointment of Supervisors and the year in which there are at least 250 qualified electors in the District, or such earlier time as the Board may decide to exercise its ad valorem taxing power, the Supervisors are elected (as their terms expire) by vote of the qualified electors of the District at an election held at the general election in November. A qualified elector is a registered voter, a resident of the District and the State of Florida 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 to four-year terms. The remaining Supervisor whose term is expiring will be elected by landowners for a four-year term. Thereafter, as terms expire, all Supervisors must be qualified electors and be elected by qualified electors to serve staggered terms. The Act provides that it shall not be an impermissible conflict of interest under Chapter 112 of the Florida Statutes for a Supervisor to be a stockholder, officer or employee of an owner of the land within the District.

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

Name	Title	Term Expires
Timothy Hultgren*	Chairman	November 2024
Branden Eckenrode*	Vice Chairman	November 2024
.Christopher Wrenn*	Assistant Secretary	November 2022
Bradley Kingsley*	Assistant Secretary	November 2022
Sean Bailey*	Assistant Secretary	November 2022

\* Employee of the Developer or one of its affiliates.

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

**District Manager and Other Consultants**

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

The District has hired PFM Group Consulting LLC (the "District Manager") to serve as District Manager. The District Manager's office is located at 12051 Corporate Blvd., Orlando, Florida 32817 and its telephone number is (407) 723-5900.

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

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Akerman LLP, Orlando, Florida, as Bond Counsel; Hopping Green & Sams, P.A., Tallahassee, Florida, as District Counsel; and PFM Financial Advisors LLC, Orlando, Florida, as Assessment Consultant with respect to the Series 2020 Bonds.

### **THE CAPITAL IMPROVEMENT PROGRAM AND THE SERIES 2020 PROJECT**

Detailed information concerning the capital improvement program (the "CIP") and the Series 2020 Project (defined herein) for the District is contained in the Engineer's Report prepared by the Consulting Engineer dated December 4, 2019 (the "Engineer's Report"), which is included herein as "APPENDIX A - ENGINEER'S REPORT". The information in this section is qualified in its entirety by reference to such Engineer's Report, which should be read in its entirety.

The District's CIP is estimated to cost approximately \$14.925 million and includes stormwater management facilities, water and wastewater facilities, electrical and lighting, roadways, off-site improvements, entry features, landscaping, irrigation, amenities and parks, and associated professional fees. The CIP will be constructed in two phases. The first phase is comprised of approximately 120 acres and is planned to include 322 single-family units ("Phase 1"). The second phase is comprised of approximately 64 acres and is planned to include 228 single-family units ("Phase 2"). A summary of the estimated costs of the CIP is set forth in the table below.

<b>Infrastructure</b>	<b>Phase 1 (322 Lots)</b>	<b>Phase 2 (228 Lots)</b>	<b>Total (550 Lots)</b>
Stormwater Management	\$3,500,000	\$1,300,000	\$4,800,000
Utilities (Water, Sewer, & Street Lighting)	\$1,800,000	\$1,400,000	\$3,200,000
Roadway	\$1,800,000	\$1,500,000	\$3,300,000
Entry Feature	\$200,000	\$25,000	\$225,000
Parks and Recreational Facilities	\$2,500,000	\$300,000	\$2,800,000
Contingency	\$500,000	\$100,000	\$600,000
<b>TOTAL</b>	<b>\$10,300,000</b>	<b>\$4,625,000</b>	<b>\$14,925,000</b>

The portion of the CIP necessary to complete Phase 1 is estimated to cost \$10.3 million (the "Phase 1 CIP"). Proceeds of the Series 2020 Bonds totaling approximately \$5.5 million will be utilized to acquire and/or construct portions of the Phase 1 CIP (such funded portion is referred to herein as the "Series 2020 Project"). The Developer has funded all development costs to date and expects to fund the remainder of the Phase 1 CIP not funded with proceeds of the Series 2020 Bonds with equity contributions from the Developer. At the time of issuance of the Series 2020 Bonds, the Developer and the District will enter into an agreement (the "Completion Agreement") whereby the Developer will agree to complete those portions of the Phase 1 CIP not funded with proceeds of the Series 2020 Bonds. The District cannot make any representation that the Developer will have sufficient funds to complete the Phase 1 CIP or the remainder of the CIP.

The status of construction and permitting for the CIP is outlined in the Engineer's Report attached hereto as APPENDIX A. The Consulting Engineer has indicated that all permits necessary to construct the Phase 1 CIP have either been obtained or are expected to be obtained in the ordinary course. In addition to the Engineer's Report, please refer to "THE DEVELOPMENT - Zoning, Permitting and Environmental" for a more detailed description of the entitlement, zoning status and permitting status of the Development.

## ASSESSMENT METHODOLOGY

The District's Methodology Consultant has developed a Master Assessment Methodology Phase 1 dated December 10, 2019 (the "Phase 1 Master Report") that allocates the proportionate benefit derived from the District's CIP to the benefitted lands in Phase 1. In addition, the Methodology Consultant has developed a Supplemental Assessment Methodology Phase 1 (the "Supplemental Report" and, together with the Phase 1 Master Report, the "Assessment Report") that allocates the Series 2020 Assessments in a manner consistent with the methodology found in the Phase 1 Master Report. The Assessment Report is attached hereto as APPENDIX B. The Supplemental Report initially allocates the Series 2020 Assessments to the \_\_\_ platted lots in Phase 1 at the per unit amounts prescribed in the Supplemental Report, with the balance of the Series 2020 Assessments allocated over the remaining undeveloped acreage in Phase 1 on an equal assessment per acre basis. As additional acreage is developed and platted, the Series 2020 Assessments will be allocated to platted lots in Phase 1 in the amounts found in the Supplemental Report. The table below illustrates the annual and principal amount of the Series 2020 Assessments.

	<b>Estimated Annual Series 2020 Assessment</b>	<b>Estimated Principal Series 2020 Assessment</b>
Single Family	\$1,250	\$19,037

## THE DEVELOPER

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

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

### **D. R. Horton, Inc.**

The developer of the lands within the Development is D.R. Horton, Inc. (the "Developer" or "DR Horton"), a Delaware corporation. The Developer (or its affiliates) is also currently serving as the sole homebuilder in the Development. DR Horton has been the largest homebuilder by volume in the United

States since 2002 according to \_\_\_\_\_. Founded in 1978 in Fort Worth, Texas, DR Horton has operations in ninety (90) markets in twenty-nine (29) states across the United States and closed 58,534 homes in the twelve-month period ended December 31, 2019. DR Horton is engaged in the construction and sale of high-quality homes through its diverse brand portfolio that includes D.R. Horton, Express Homes, Freedom Homes and Emerald Homes with sales prices ranging from \$100,000 to over \$1,000,000. DR Horton also provides mortgage financing and title services for homebuyers through its mortgage and title subsidiaries.

DR Horton is a publicly-traded company the common stock of which is listed on the New York Stock Exchange under the symbol "DHI". DR Horton 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 DR Horton is No.1-14122. 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 DR Horton 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.

## THE DEVELOPMENT

### General

Charles Cove (the "Development") consists of approximately 184 acres and is located within the City. The boundaries of the Development and the District are co-terminus. The Development is generally located west of U.S. Highway 27 and south of Masee Road. The northern entrance to the Development along Masee Road is located approximately one (1) mile from U.S. Highway 27 and five (5) miles south of Interstate-4, which provides access to all points throughout Central Florida. The Orlando International Airport and downtown Orlando are located approximately thirty-six (36) miles and thirty-four (34) miles northeast from the Development, respectively. In addition, theme parks and attractions, including Walt Disney World and Universal Studios Orlando, are located approximately seventeen (17) and twenty-seven (27) miles northeast from the Development, respectively.

The Development is currently planned to include 550 single-family residential units and recreational facilities which have been designed to include a community pool, multi-purpose sports field, playground, picnic tables and pavilion, and walking trails. As discussed in more detail herein, development, home construction and home sale activities are underway. As of February 28, 2020, one (1) home sale contract has been written with a retail buyer. Further, thirty-seven (37) spec homes were under construction.

A number of retail, entertainment and dining options are located within close proximity to the Development. Posner Park Shopping Mall, located approximately five (5) miles north from the Development at the intersection of Interstate-4 and U.S. Highway 27, is an 80-acre development filled with shopping, restaurants and entertainment including Target, PetSmart, Dicks Sporting Goods, Best Buy, Staples, Ross, Michaels, Books-A-Million, and Cinepolis IMAX Theater. Additionally, a Publix-anchored

plaza, a CVS and The Heart of Florida Regional Medical Center are located approximately one (1) mile east from the Development at the intersection of Masee Road and U.S. Highway 27.

### **Land Acquisition/Development Financing**

The Developer is acquiring the lands constituting the Development in two (2) takedowns for an aggregate purchase price of \$12 million. Pursuant to the land purchase contract, the Developer was required to provide a \$350,000 earnest money deposit and pay \$6,500,000 for Phase 1 approved for 322 residential lots and \$5,500,000 for Phase 2 planned for 228 residential lots. The Developer closed on Phase 1 in October 2018 and is required to close on Phase 2 within twenty-four (24) months of closing on Phase 1. There are no mortgages encumbering the lands owned by the Developer.

As discussed under the heading "THE CAPITAL IMPROVEMENT PROGRAM AND THE SERIES 2020 PROJECT," the costs of the CIP have been estimated at \$14.925 million. The Phase 1 CIP is estimated to cost \$10.3 million. Proceeds of the Series 2020 Bonds will be utilized to acquire and/or construct a portion of the Phase 1 CIP in the approximate amount of \$5.5 million. As previously stated, the portion of the Phase 1 CIP funded with proceeds of the Series 2020 Bonds is referred to herein as the Series 2020 Project. The Developer estimates that it has expended approximately \$9,562,123 million in total development costs to date and intends to continue to fund the remainder of the Phase 1 CIP not funded with Series 2020 Bond proceeds through Developer equity and home sale proceeds. It is anticipated that the District will issue a future Series of Bonds to fund the portion of the CIP necessary to complete Phase 2 of the Development. Such Series of Bonds will be secured by special assessments on the Phase 2 property only and therefore will not overlap with the Series 2020 Assessments.

### **Zoning, Permitting and Environmental**

#### *Zoning*

The property in the City has a land use of LDR-NR (Low Density Residential-North Ridge) and a zoning of Residential Planned Unit Development (RPUD).

The lands constituting the Development were re-zoned as RPUD in \_\_\_\_ 2017. The RPUD approvals allow for 550 dwelling units, \_\_ (\_\_) acres of recreation area, and approximately \_\_ (\_\_) acres of open space. **[The zoning ordinance provided says the project is approved for a total of "457 short-term single-family residential units and 50 townhomes". Need revised ordinance that provides for the current development plan.]**

#### *Permits*

The Developer has obtained certain permitting for Phase 1 of the Development, including St. Johns River Water Management District Environmental Resource Permits (ERP), Polk County Health Department, Florida Department of Environmental Protection (FDEP), and City construction plan approvals. A US Army Corps of Engineers (ACOE) permit was not required. The Engineer's Report attached hereto as Appendix A provides a detailed description of the status of permits and approvals. The Consulting Engineer will certify at closing that all permits required to be obtained for the Development are expected to be obtained in the ordinary course.

*Environmental* [NEED DR HORTON TO PROVIDE]

The Phase I Environmental Site Assessment Report for ...

**Utilities**

The City will provide water and sewer service to the Development and Duke Energy will provide underground electrical power to the Development. Cable and internet service is expected to be provided by \_\_\_\_.

**Residential Land Use and Development Plan**

As stated herein, the development plan for the Development provides for 550 single-family units in two (2) phases. A summary of the unit mix and phasing is provided below, which is subject to change.

<u>Lot Size</u>	<u>Phase 1</u>	<u>Phase 2</u>	<u>Total</u>
Single Family 42'	143	124	267
Single Family 52'	<u>179</u>	<u>104</u>	<u>283</u>
<b>TOTAL</b>	<b>322</b>	<b>228</b>	<b>550</b>

**Status of Infrastructure Development**

Phase 1 has been designed and planned in three (3) subphases, which includes Phase 1A (148 single-family lots), Phase 1B (97 single-family lots) and Phase 1C (77 single-family lots). Phase 1A is complete and a final plat has been recorded. Phase 1B is currently under development, with expected completion in April 2020. Based upon current absorption expectations, commencement of development of Phase 1C is anticipated to occur in the fourth quarter of 2021.

Construction of the recreational amenities (See "THE DEVELOPMENT - Recreational and Lifestyle Amenities" herein) is underway with expected completion in the third quarter of 2020. In addition, the two (2) model homes planned for the Development are under construction, which are expected to be open by the end of March 2020.

**Residential Product Offerings**

The Development is anticipated to primarily attract first time and move-up buyers. The Developer will be offering homes under both its D.R. Horton and Express Homes brands. Current estimated home sizing and pricing is provided below for those product types that are currently being offered in the Development and is subject to change. More detailed information, including floorplans, may be found at [www.drhorton.com](http://www.drhorton.com).

<u>Brand</u>	<u>Sq. Feet</u>	<u>Price</u>
D.R. Horton	1672 - 2601	\$244,990 - \$291,990
Express Homes	1504 - 2447	\$222,990 - \$279,990

One D.R. Horton model home and one Express Homes model home are anticipated to be complete and open by March 31, 2020. As of February 28, 2020, one (1) home sale contract has been written with a retail buyer. Further, thirty-seven (37) spec homes were under construction.

## Recreational and Lifestyle Amenities

As indicated above, the Development will be amenitized to cater to the whole family, with recreational facilities that have been designed to include a community pool, multi-purpose sports field, playground, picnic tables and pavilion, and walking trails. Construction of the recreational facilities is underway with completion expected in the third quarter of 2020. Additionally, the Development's location allows ease of access to various entertainment activities, including theme parks and attractions, nightlife, professional sporting events and dining.

## Education

Based upon current school districting, school age children residing in the Development will attend Horizons Elementary School, Shelley S. Boone Middle School and Ridge Community Senior High, all of which received a grade of "C" from the Florida Department of Education for 2019. Although the foregoing information is correct as of the date hereof, the Polk County School District 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.

## Marketing

The Developer has incorporated the marketing efforts for the Development into its overall local, regional and state marketing program which includes, without limitation, internet, social media, realtor functions, print and radio ads.

## Projected Absorption

As indicated above, home sales commenced in February, 2020 and one (1) home sale contract has been written as of February 28, 2020. The projected absorption for Phase 1 of the Development is provided below which is subject to change.

<u>Lot Size</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
Single Family 42'	45	63	35	0	143
Single Family 52'	45	63	71	0	179
<b>TOTAL</b>	<b>90</b>	<b>126</b>	<b>106</b>	<b>0</b>	<b>322</b>

The aforementioned projections are based upon estimates and assumptions that are inherently uncertain, though considered reasonable, and are subject to significant business, economic and competitive uncertainties and contingencies, all of which are difficult to predict. As a result, there can be no assurance that such projections will occur or be realized in the time frames anticipated. See "BONDOWNERS' RISKS" herein.

## Fees and Assessments

Each homeowner in Phase 1 of the Development will pay annual taxes, assessments, and fees on an ongoing basis as a result of their ownership of property within the District, including ad valorem property taxes, the Series 2020 Assessments levied by the District in connection with Series 2020 Bonds, association fees, and administrative, operation and maintenance assessments levied by the District as described in more detail below.

Property Taxes. The current millage rate for the area which the District is located is 21.1121. Assuming an average home price in the Development of approximately \$250,000 with a \$25,000 homestead exemption (\$225,000 taxable value), the annual property tax would be approximately \$4,750.

Homeowner’s Association Fees. All homeowners will be subject to annual master homeowner’s association (“HOA”) fees for the architectural review and deed restriction enforcement. The Developer estimates that this fee will be \$484 annually.

District Special Assessments. All homeowners in Phase 1 of the Development will be subject to the Series 2020 Assessments. In addition, all homeowners in the District are subject to annual operation and maintenance assessments levied by the District which are derived from the District’s annual budget and are subject to change each year. The table below illustrates the aforementioned annual assessments that will be levied by the District for each of the respective product type.

	<b>Estimated Annual Series 2020 Assessments</b>	<b>Estimated FY2020 Annual Operation and Maintenance Assessments</b>
Single Family	\$1,250	\$481.82

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

**Competition**

The Developer anticipates that primary competition to the Development will come from the projects listed below. The information in this section has been obtained from third parties and public sources believed to be accurate, but cannot be certified as to its accuracy and is subject to change.

Golden Ridge is a Park Square Homes community located approximately five (5) miles north of the Development in Davenport, Florida. The community is planned to include approximately 110 single-family homes. Park Square Homes is currently marketing floorplans ranging in size from 1,554 to 3,075 square feet and in price from \$237,990 to \$313,990. Amenities include a tot lot and picnic area.

Northridge Reserve is a Maronda Homes community located approximately six (6) miles north of the Development in Davenport, Florida. The first phase of the community is planned to include approximately 126 single-family homes. Maronda Homes is currently marketing floorplans ranging in size from 1,443 to 3,059 square feet and in price from \$215,000 to \$283,000. Amenities include a community pool and cabana, playground, covered pavilions as well as a dog park

Citrus Isle is a Centex Homes community located approximately eight (8) miles north of the Development in Davenport, Florida. The community is planned to include approximately 204 single-family homes. Centex Homes is currently marketing floorplans ranging in size from 1,447 to 2,861 square feet and in price from \$202,990 to \$273,990. Amenities include a pool, sports fields, and playground.

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

## DESCRIPTION OF THE SERIES 2020 BONDS

### General Description

The Series 2020 Bonds are issuable only as registered bonds without coupons in current interest form in denominations of \$5,000 or any integral multiple thereof (an "Authorized Denomination"); provided, however, that the Series 2020 Bonds shall be delivered to the initial purchasers thereof only in principal amounts of \$100,000 or integral multiples of Authorized Denominations in excess of \$100,000.

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

Interest on each Series 2020 Bond will be payable on each Interest Payment Date as heretofore described. Interest shall be paid to the Registered Owner of Series 2020 Bonds at the close of business on the regular record date for such interest, which shall be the fifteen (15<sup>th</sup>) day of the calendar month next preceding such Interest Payment Date; provided, however, that on or after the occurrence and continuance of an Event of Default under clauses (a) and/or (b) of Section 10.02 of the Master Indenture, the payment of interest and principal or Redemption Price or Amortization Installments shall be made by the Paying Agent to such person, who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Registrar as the Registered Owner of a Series 2020 Bond. Each Series 2020 Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication: (i) is an Interest Payment Date to which interest on such Series 2020 Bond has been paid, in which event such Series 2020 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the Series 2020 Bonds, in which event, such Series 2020 Bond shall bear interest from its dated date.

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

**Redemption Provisions**

Optional Redemption. The Series 2020 Bonds are subject to redemption at the option of the District prior to maturity, in whole or in part, on any date on or after May 1, 20[ ] at the Redemption Price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date.

Mandatory Redemption. The Series 2020 Bond maturing May 1, 20[ ] is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2020 Sinking Fund Account established under the First Supplement in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

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

.

\_\_\_\_\_  
\*Final maturity

The Series 2020 Bond maturing May 1, 20[ ] is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2020 Sinking Fund Account established under the First Supplement in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

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

.

\_\_\_\_\_  
\*Final maturity

The Series 2020 Bond maturing May 1, 20[ ] is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2020 Sinking Fund Account established under the First Supplement in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

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

\*Final maturity

The Series 2020 Bond maturing May 1, 20[ ] is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2020 Sinking Fund Account established under the First Supplement in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

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

\*Final maturity

Any Series 2020 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Series 2020 Bonds.

Upon redemption or purchase of the Series 2020 Bonds (other than redemption in accordance with scheduled Amortization Installments), the District shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so that debt service on the Series 2020 Bonds is amortized in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2020 Bonds.

Extraordinary Mandatory Redemption. The Series 2020 Bonds are subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any February 1, May 1, August 1 or November 1 (each a "Quarterly Redemption Date"), and if in part on a pro rata basis calculated by the

District determined by the ratio of the Outstanding principal amount of each maturity of the Series 2020 Bonds treating for such purposes each Amortization Installment as a maturity divided by the aggregate principal amount of Outstanding Series 2020 Bonds and as otherwise provided in the Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the Quarterly Redemption Date, if and to the extent that any one or more of the following shall have occurred:

(i) On or after the Completion Date (as defined in the Indenture) of the Series 2020 Project by application of moneys transferred from the 2020 Acquisition and Construction Account to the 2020 Prepayment Account in accordance with the terms of the First Supplement; or

(ii) Amounts are deposited into the 2020 Prepayment Account from the prepayment of Series 2020 Assessments and from amounts deposited into the 2020 Prepayment Account from any other sources; or

(iii) When the amount on deposit in the 2020 Reserve Account, together with other moneys available therefor are sufficient to pay and redeem all the Series 2020 Bonds then Outstanding as provided in the First Supplement.

If less than all of the Series 2020 Bonds of a maturity subject to redemption shall be called for redemption, the particular such Series 2020 Bonds or portions of such Series 2020 Bonds of that maturity to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

#### **Notice and Effect of Redemption**

When required to redeem or purchase Series 2020 Bonds under any provision of the Indenture or directed to do so by the District, the Trustee shall cause notice thereof, to be mailed at least thirty (30) but not more than sixty (60) days prior to the redemption or purchase date to all Owners of Series 2020 Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the fifth (5th) day prior to such mailing), at their registered addresses, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption or purchase of the Series 2020 Bonds of such Series for which notice was duly mailed in accordance with the Indenture.

If at the time of mailing the notice of any redemption, the District shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem all the Series 2020 Bonds called for redemption, such notice shall state that the redemption is conditional and is subject to the deposit of the redemption or purchase moneys with the Trustee or Paying Agent, as the case may be, not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

Notice of optional redemption may also be conditioned upon the occurrence or non-occurrence of such other event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the District if expressly set forth in such notice.

If the amount of funds deposited with the Trustee for such redemption, or otherwise available, is insufficient to pay the Redemption Price and accrued interest on the Series 2020 Bonds so called for redemption on the redemption date, the Trustee shall redeem and pay on such date an amount of such Series 2020 Bonds for which such funds are sufficient, selecting the Series 2020 Bonds to be redeemed randomly from among all such Series 2020 Bonds called for redemption on such date, and among different maturities of Series 2020 Bonds in the same manner as the initial selection of Series 2020 Bonds to be redeemed, and from and after such redemption date, interest on the Series 2020 Bonds or portions thereof

so paid shall cease to accrue and become payable; but interest on any Series 2020 Bonds or portions thereof not so paid shall continue to accrue until paid at the same rate as it would have had such Series 2020 Bonds not been called for redemption.

### **Book-Entry Only System**

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

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

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

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

representing their ownership interests in Series 2020 Bonds, except in the event that use of the book-entry system for the Series 2020 Bonds is discontinued.

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

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

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

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

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

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

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

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

## **SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020 BONDS**

### **General**

The Series 2020 Bonds are payable from and secured by the revenues derived by the District from the Series 2020 Assessments (the "2020 Pledged Revenues") and amounts in the Funds and Accounts (excluding amounts in the 2020 Rebate Account and 2020 Cost of Issuance Account) established by the Indenture (the "2020 Pledged Funds" and, together with the 2020 Pledged Revenues, the "2020 Trust Estate").

The Series 2020 Assessments are Special Assessments that represent an allocation of a portion of the costs of the Series 2020 Project, including bond financing costs, to Phase 1 lands in accordance with the Assessment Proceedings and the Assessment Report attached hereto as APPENDIX B.

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

NEITHER THE SERIES 2020 BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THE SERIES

2020 BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT, INCLUDING, WITHOUT LIMITATION, THE SERIES 2020 PROJECT, BUT SHALL CONSTITUTE A LIEN ONLY ON THE 2020 TRUST ESTATE AS SET FORTH IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2020 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2020 BONDS SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2020 TRUST ESTATE PLEDGED TO THE SERIES 2020 BONDS, ALL AS PROVIDED IN THE SERIES 2020 BONDS AND IN THE INDENTURE.

### **Funds and Accounts**

The Indenture establishes with the Trustee the following Funds and Accounts: 1) within the Acquisition and Construction Fund, a 2020 Acquisition and Construction Account and a 2020 Costs of Issuance Account; 2) within the Debt Service Fund, a 2020 Sinking Fund Account, and a 2020 Interest Account; 3) within the Bond Redemption Fund, a 2020 Prepayment Account and a 2020 Optional Redemption Account; 4) within the Debt Service Reserve Fund, a 2020 Reserve Account which account shall be held for the benefit of all of the Series 2020 Bonds, without distinction as to Series 2020 Bonds and without privilege or priority of one Series 2020 Bond over another; 5) within the Revenue Fund held by the Trustee a 2020 Revenue Account, and 6) within the Rebate Fund, a 2020 Rebate Account.

### **Acquisition and Construction Fund**

Amounts on deposit in the 2020 Acquisition and Construction Account shall be applied to pay the Costs of the Series 2020 Project upon presentment to the Trustee of a properly signed requisition in substantially the form required by the Indenture.

Any balance remaining in the 2020 Acquisition and Construction Account after the Completion Date of the Series 2020 Project and after retaining the amount, if any, of all remaining unpaid Costs of the Series 2020 Project set forth in the Engineers' Certificate establishing such Completion Date, shall be deposited in the 2020 Prepayment Account in the Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2020 Bonds in the manner prescribed in the Series 2020 Bonds. At such time as there are no amounts on deposit in the 2020 Acquisition and Construction Account such account shall be closed. No such transfer to the 2020 Prepayment Account shall be made if on the date of such proposed transfer the Trustee has knowledge that an Event of Default exists until such Event of Default no longer exists or is waived or the Trustee is directed by the Majority Owners to otherwise apply such moneys.

In accordance with the provisions of the Indenture, the Series 2020 Bonds are payable solely from the 2020 Trust Estate. The District acknowledges in the Indenture that (i) the 2020 Trust Estate includes, without limitation, all amounts on deposit in the 2020 Acquisition and Construction Account then held by the Trustee, (ii) upon the occurrence of an Event of Default with respect to the Series 2020 Bonds, the 2020 Trust Estate may not be used by the District (whether to pay costs of the Series 2020 Project or otherwise) without the consent of the Majority Owners, except to the extent that prior to the occurrence of the Event of Default the District had incurred a binding obligation with third parties for work on the Series 2020

Project and payment is for such work and (iii) the 2020 Trust Estate may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture. The District shall not enter into any binding agreement with respect to the Series 2020 Project after the occurrence of an Event of Default unless authorized in writing by the Majority Owners.

### **2020 Reserve Account and 2020 Reserve Account Requirement**

The 2020 Reserve Account Requirement shall mean fifty percent (50%) of the maximum annual Debt Service Requirement for the Series 2020 Bonds calculated from time to time which is initially \$[\_\_\_\_\_] (the "2020 Reserve Account Requirement").

Amounts on deposit in the 2020 Reserve Account, except as otherwise provided in the Indenture, shall be used only for the purpose of making payments into the 2020 Interest Account and the 2020 Sinking Fund Account to pay the Series 2020 Bonds, without distinction as to Series 2020 Bonds and without privilege or priority of one Series 2020 Bond over another, when due when the moneys on deposit in such Accounts and available therefor are insufficient.

The Trustee, on each March 15, June 15, September 15 and December 15 (or if such day is not a Business Day, on the Business Day next preceding such day) next preceding each [Quarterly] Redemption Date, after taking into account all payments and transfers made as of such date, shall compute the value of the 2020 Reserve Account and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such account. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit in the 2020 Reserve Account, from the first legally available sources of the District. Any such surplus in the 2020 Reserve Account shall be deposited to the 2020 Prepayment Account. See "DESCRIPTION OF THE SERIES 2020 BONDS - Redemption Provisions" above.

Notwithstanding the foregoing on the earliest date on which there is on deposit in the 2020 Reserve Account, sufficient monies, taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2020 Bonds, together with accrued interest on such Series 2020 Bonds to the earliest date of redemption, then the Trustee shall transfer to the 2020 Prepayment Account the amount on deposit in the 2020 Reserve Account to pay and redeem all of the Outstanding Series 2020 Bonds on the earliest such date.

### **Flow of Funds**

(a) The District covenants to assess, levy, and enforce the payment of the Series 2020 Assessments at times and in amounts as shall be necessary in order to pay, when due, Debt Service Requirements on the Series 2020 Bonds and to pay or cause to be paid the proceeds of such Series 2020 Assessments as received to the Trustee for deposit to the 2020 Revenue Account.

(b) Upon deposit of the revenues from the Series 2020 Assessments including the interest thereon with the Trustee, the District shall provide the Trustee a written accounting setting forth the amounts of such Series 2020 Assessments in the following categories which shall be deposited by the Trustee into the Funds and Accounts established as follows:

(i) Assessment Interest which shall be deposited into the 2020 Interest Account;

(ii) Assessment Principal, which shall be deposited into the 2020 Sinking Fund Account;

(iii) Prepayment Principal which shall be deposited into the 2020 Prepayment Account;

(iv) Delinquent Assessment Principal shall first be applied to restore the amount of any withdrawal from the 2020 Reserve Account to pay the principal of Series 2020 Bonds, to the extent that less than the 2020 Reserve Account Requirement is on deposit in the 2020 Reserve Account, and, the balance, if any, shall be deposited into the 2020 Sinking Fund Account;

(v) Delinquent Assessment Interest shall first be applied to restore the amount of any withdrawal from the 2020 Reserve Account to pay the interest of Series 2020 Bonds to the extent that less than the 2020 Reserve Account Requirement is on deposit in the 2020 Reserve Account, and, the balance, if any, shall be deposited into the 2020 Interest Account;

(vi) The balance shall be deposited in the 2020 Revenue Account.

(c) On each March 15, June 15, September 15 and December 15 (or if such Day is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the 2020 Prepayment Account and, if the balance therein is greater than zero, shall transfer, but only after transferring sufficient amounts as directed by the District from the 2020 Revenue Account to pay amounts due on the next Interest Payment Date from the 2020 Revenue Account for deposit into such Prepayment Account, an amount sufficient to increase the amount on deposit therein to the next integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of Series 2020 Bonds on the next succeeding Quarterly Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in such Prepayment Account in accordance with the provisions for extraordinary redemption of Series 2020 Bonds. All interest due in regard to such prepayments shall be paid from the 2020 Interest Account or, if insufficient amounts are on deposit in the 2020 Interest Account to pay such interest, then from the 2020 Revenue Account.

(d) On each May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall transfer from amounts on deposit in the 2020 Revenue Account to the Funds and Accounts designated below, the following amounts in the following order of priority:

FIRST, to the 2020 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all Series 2020 Bonds then Outstanding on such May 1 or November 1, less any other amount already on deposit in the 2020 Interest Account not previously credited;

SECOND, beginning on May 1, 2021, and no later than the Business Day next preceding each May 1 thereafter while Series 2020 Bonds remain Outstanding, to the 2020 Sinking Fund Account, an amount equal to the Amortization Installment on the Series 2020 Bonds due on such May 1 or the principal maturing on such May 1, less any amount on deposit in the 2020 Sinking Fund Account not previously credited;

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

FOURTH, the balance shall be retained in the 2020 Revenue Account.

It shall not constitute an Event of Default under the Indenture, if the full amount of the foregoing deposits are not made due to an insufficiency of funds therefor; provided, however, that this does not change what are otherwise Events of Default as provided in Article X of the Master Indenture and Section 606 of the First Supplement.

(e) On any date required by the Arbitrage Certificate, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the 2020 Revenue Account to the 2020 Rebate Account established for the Series 2020 Bonds in the Rebate Fund the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Arbitrage Certificate. To the extent insufficient moneys are on deposit in the 2020 Revenue Account to make the transfer provided for in the immediately preceding sentence the District shall deposit with the Trustee from available moneys of the District the amount of any such insufficiency.

### **Investments**

Amounts on deposit in all of the Funds and Accounts held as security for the Series 2020 Bonds shall be invested only in Investment Securities, and further, earnings on investments in the 2020 Acquisition and Construction Account and the 2020 Cost of Issuance Account shall be retained as realized, in such Accounts and used for the purpose of such Accounts. Earnings on investments in the 2020 Revenue Account, the 2020 Sinking Fund Account, the 2020 Interest Account, the 2020 Prepayment Account and the 2020 Optional Redemption Account shall be deposited, as realized, to the credit of the 2020 Revenue Account and used for the purpose of such Account.

Except for the assets on deposit in the 2020 Reserve Account, the Trustee shall value the assets in each of the Funds and Accounts established under the Indenture within five (5) Business Days following each November 1 Interest Payment Date.

All earnings on investments in the 2020 Reserve Account shall be deposited to the applicable 2020 Revenue Account provided no deficiency exists in the 2020 Reserve Account except that prior to the Completion Date of the Series 2020 Project earnings shall be deposited to the 2020 Acquisition and Construction Account if a deficiency does not exist in the 2020 Reserve Account and if a deficiency does exist earnings shall remain on deposit in the 2020 Reserve Account until the deficiency is cured. Such Account shall consist only of cash and Investment Securities.

### **Agreement for Assignment of Development Rights**

Contemporaneously with the issuance of the Series 2020 Bonds, the Developer, and the District will enter into a **[Collateral Assignment and Assumption of Development Rights Relating to Phase 1]** (the "Assignment Agreement"). The following is a description of the Assignment Agreement but is qualified in its entirety by reference to the Assignment Agreement. Pursuant to the Assignment Agreement, the Developer collaterally assigns to the District all of Developer's development rights and contract rights relating to the **[Phase 1 CIP]** as to lands owned by Developer (the "Development Rights") as security for the Developer's payment and performance and discharge of its obligation to pay the Series 2020 Assessments levied against property within **[Phase 1]** owned by the Developer when due. The assignment will become effective and absolute upon failure of the Developer to pay the Series 2020 Assessments levied against the **[Phase 1 lands]** owned by the Developer resulting in a transfer of title to such lands or an event

of default and the District's exercise of remedial rights on account thereof. The Development Rights specifically excludes any such portion of the Development Rights which relate to any property which has been conveyed to (i) a homebuilder resulting from the sale of any portion of such land in the ordinary course of business, (ii) the City, the County, the District, any unaffiliated homeowner's association or other governing entity or association relating to the Series 2020 Project, (iii) any person that prepays all Series 2020 Assessments related thereto and (iv) lands outside of the District other than off-site improvements required to be constructed or provided by the Developer as a condition to any of its Development Rights that have not been conveyed to a governmental entity. Pursuant to the Indenture, the District assigns its rights under the Assignment Agreement to the Trustee for the benefit of the Owners, from time to time, of the Series 2020 Bonds.

Notwithstanding the above provisions to the contrary, in the event the District foreclosed on the lands subject to the Series 2020 Assessments as a result of the Developer's or a subsequent landowner's failure to pay such Series 2020 Assessments, there is a risk that the District will not have all permits and entitlements necessary to complete the [Phase 1 CIP] and/or the remainder of the CIP.

### **True-Up Agreement**

In connection with the issuance of the Series 2020 Bonds, the District and Developer will enter into the Agreement Regarding the [True Up and Payment for Special Assessment Bonds, Series 2020] (the "True Up Agreement"), pursuant to which the Developer agrees that at the time of recording of any and all plats containing any portion of the District Lands, if the density or number of lots or types or sizes of lots within Phase 1 are modified, such plat shall be presented to the District for review and reallocation of the Series 2020 Assessments to the units being platted and the remaining property in accordance with a revised assessment report. At the time that any plat is presented to the District, and at the time of any proposed sale of all or a portion of unplatted lands by the Developer, the District will determine if the par amount of outstanding Series 2020 Bonds will be assigned to the total number of units to be developed, taking into account the submitted plat. If not, the District will determine the remaining par amount of outstanding Series 2020 Bonds unassigned to units and the total number of developable acres owned by the Developer remaining to be platted and will determine if the maximum par debt per acre, as provided in the Assessment Report, is exceeded. If the maximum par debt per acre is exceeded, a debt reduction payment in the amount equal to the par debt that is not capable of being assigned to the total number of developable acres, plus any applicable interest charges and collection fees shall become due and payable prior to the District's approval of the plat, in addition to the regular assessment installment payable for lands owned by the Developer for that tax year.

### **Completion Agreement**

In connection with the issuance of the Series 2020 Bonds, the District and the Developer will enter into the Completion Agreement pursuant to which the Developer will agree to provide funds to complete the Phase 1 CIP. Remedies for a default under the Completion Agreement include specific enforcement and/or damages.

### **Enforcement of True-Up Agreement and Completion Agreement**

The District, either through its own actions, or actions caused to be taken through the Trustee, covenants that it shall strictly enforce all of the provisions of the Completion Agreement and the True-Up Agreement, and, upon the occurrence and continuance of a default under such agreements, the District

covenants and agrees that the Trustee, at the written direction of the Majority Owners of the Series 2020 Bonds shall, subject to the Trustee's rights under Article X of the Master Indenture, act on behalf of, and in the District's stead, to enforce the provisions of such agreements and to pursue all available remedies under applicable law or in equity. Anything herein or in the Indenture to the contrary notwithstanding, failure of the District to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the Completion Agreement and the True-Up Agreement upon demand of the Majority Owners of the Series 2020 Bonds, or the Trustee at the written direction of the Majority Owners of the Series 2020 Bonds, shall constitute an Event of Default under the Indenture without benefit of any period of cure.

### **Enforcement and Collection of Series 2020 Assessments**

The primary source of payment for the Series 2020 Bonds is the Series 2020 Assessments levied on the Phase 1 lands, all in accordance with the Assessment Proceedings and the Assessment Report. At the time of issuance of the Series 2020 Bonds, the Developer owns the Phase 1 lands. To the extent that the Developer or any other landowner, or any successor landowners, fail to pay such Series 2020 Assessments, delay payments, or are unable to pay Series 2020 Assessments, the successful pursuit of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2020 Bonds. The Act provides for various methods of collection of delinquent taxes by reference to other provisions of the Florida Statutes. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein for a summary of payment and collection procedures relating to the Series 2020 Assessments appearing in the Florida Statutes.

The First Supplement provides that the District shall directly collect the Series 2020 Assessments in lieu of the Uniform Method with respect to any assessable lands until such time as lots are platted, unless the District Manager is directed otherwise by Majority Owners.

The District covenants to comply with the terms of the proceedings adopted with respect to the Series 2020 Assessments, including the Assessment Report, and to levy the Series 2020 Assessments and any required true-up payments set forth in the Assessment Report, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2020 Bonds, when due. The District also agrees that it shall not amend the Assessment Report in any material manner without the consent of the Majority Owners.

The District covenants and agrees that upon the occurrence and continuance of an Event of Default with respect to the Series 2020 Bonds, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of delinquent Series 2020 Assessments that are directly billed and collected by the District, as well as delinquent direct billed Operation and Maintenance Assessments, and the provisions for the foreclosure of liens of delinquent Series 2020 Assessments that are directly billed and collected by the District, as well as delinquent direct billed Operation and Maintenance Assessments, all in a manner consistent with the Indenture. All Series 2020 Assessments that are billed and collected directly by the District shall be due and payable no later than thirty (30) days prior to each Interest Payment Date and shall become delinquent thereafter.

If any property shall be offered for sale for the nonpayment of any Series 2020 Assessments and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2020 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the District, after receiving the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2020 Bonds Outstanding, specifying whether the District is to take title to the property in its corporate name

or in the name of a special purpose entity, may purchase the property for an amount approved by the Majority Owners (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name or in the name of a special-purpose entity title to the property for the benefit of the Owners of the Series 2020 Bonds. The District, either through its own actions, or actions caused to be taken by the District through the Trustee shall have the power to and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the 2020 Revenue Account. The District, either through its own actions, or actions caused to be taken by the District through the Trustee agrees that it shall, after being provided assurances satisfactory to it of payment of its fees, costs and expenses for doing so, be required to take the measures provided by law for listing for sale of property acquired by it as trustee for the Owners of the Series 2020 Bonds within sixty (60) days after the receipt of the request therefore signed by the Trustee, acting at the direction of the Majority Owners of the Series 2020 Bonds Outstanding. The District may pay costs associated with any actions taken by the District pursuant to this paragraph from any moneys legally available for such purpose held under the Indenture, provided such action does not adversely impact the "tax-exempt" status of the Series 2020 Bonds.

The District acknowledges and agrees that (i) upon failure of any property owner to pay when due any installment of Series 2020 Assessments that are billed directly by the District, that the entire Series 2020 Assessments levied on the property for which such installment of Series 2020 Assessments is due and unpaid, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and, with the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2020 Bonds Outstanding, the District, after being provided assurances satisfactory to it of payment of its fees, costs and expenses for doing so, shall promptly, but in any event within ninety (90) days of the receipt of such direction, cause to be brought the necessary legal proceedings for the foreclosure of liens of delinquent Series 2020 Assessments, including interest and penalties and (ii) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by Florida law.

### **Limitation on Additional Bonds**

Other than Bonds issued to refund a portion of the then Outstanding Series 2020 Bonds, the issuance of which, as determined by the District, results in present value debt service savings, the District has agreed in the Indenture that it shall not, while any Series 2020 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the 2020 Trust Estate. In addition, the District has covenanted that it will not issue any other Bonds or other debt obligations secured by Special Assessments on assessable lands which are also encumbered by the Series 2020 Assessments for any capital project unless the Series 2020 Assessments have been Substantially Absorbed; provided, however, that the foregoing shall not preclude the imposition of Special Assessments on property subject to the Series 2020 Assessments which as determined by the District, are necessary for health, safety, and welfare reasons or to remediate a natural disaster. The District may issue Bonds or other debt obligations secured by Special Assessments on assessable lands not encumbered by the Series 2020 Assessments without limitation except as limited by the documents pursuant to which such Bonds or debt are issued. "Substantially Absorbed" means the date at least 90% of the principal portion of the Series 2020 Assessments have been assigned to residential units within the District that have received certificates of occupancy.

### Events of Default With Respect to the Series 2020 Bonds

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

(a) if payment of any installment of interest on any Series 2020 Bond is not made when it becomes due and payable; or

(b) if payment of the principal or Redemption Price of any Series 2020 Bond is not made when it becomes due and payable at maturity or upon call or presentation for redemption; or

(c) if the District, for any reason, fails in, or is rendered incapable of, fulfilling its obligations under the Indenture or under the Act, which may be determined solely by the Majority Owners of such Series 2020 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 Indenture or in any Series 2020 Bond issued pursuant to the Indenture and such default continues for sixty (60) days after written notice requiring the same to be remedied shall have been given to the District by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Majority Owners of the Outstanding Series 2020 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) written notice shall have been received by the Trustee from a Credit Facility Issuer securing Series 2020 Bonds that an event of default has occurred under the Credit Facility Agreement, or there shall have been a failure by said Credit Facility Issuer to make said Credit Facility available or to reinstate the interest component of said Credit Facility in accordance with the terms of said Credit Facility, to the extent said notice or failure is established as an event of default under the terms of the First Supplement; or

(g) any portion of the Series 2020 Assessments pledged to the Series 2020 Bonds shall have become delinquent Series 2020 Assessments and, as the result thereof, the Indenture authorizes the Trustee to withdraw funds in an amount greater than fifteen percent (15%) of the amount on deposit in the 2020 Reserve Account to pay the Debt Service Requirements on the Series 2020 Bonds (regardless of whether the Trustee does or does not actually withdraw such funds from the 2020 Reserve Account to pay the Debt Service Requirements on the Series 2020 Bonds) (the foregoing being referred to as a "2020 Reserve Account Event") unless within sixty (60) days from the 2020 Reserve Account Event the District has either paid to the Trustee (i) the amounts, if any, withdrawn from the 2020 Reserve Account or (ii) the portion of the

Delinquent Assessment Principal and Delinquent Assessment Interest giving rise to the 2020 Reserve Account Event are no longer delinquent; or

(h) more than fifteen percent (15%) of the Operation and Maintenance Assessments that are directly billed by the District and levied by the District on tax parcels subject to the Series 2020 Assessments are not paid by the date such are due and payable and such default continues for sixty (60) days after the date when due. The District shall give written notice to the Trustee of the occurrence of such event not later than ten (10) days after the end of the sixty (60) day period referred to in the preceding sentence.

The Trustee shall not be deemed to have knowledge of the occurrence of such an Event of Default absent notice thereof from the District.

No Series 2020 Bonds shall be subject to acceleration unless the Series 2020 Assessments have been accelerated. Upon an Event of Default, no optional redemption or extraordinary mandatory redemption of the Series 2020 Bonds shall occur unless all of the Series 2020 Bonds where an Event of Default has occurred will be redeemed or if 100% of the Holders of the Series 2020 Bonds agree to such redemption, provided that a distribution pursuant to Section 10.11 of the Master Indenture is not precluded.

#### **Provisions Relating to Bankruptcy or Insolvency of Landowner**

(a) The provisions of this section shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to at least three percent (3%) of the Series 2020 Assessments pledged to the Series 2020 Bonds Outstanding (an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a "Proceeding").

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

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

(ii) the District agrees in the Indenture that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2020 Assessments relating to the Series 2020 Bonds

Outstanding, the Series 2020 Bonds Outstanding or any rights of the Trustee under the Indenture that are inconsistent with any written consent received (or deemed received) from the Trustee;

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

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

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

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

## **Re-Assessment**

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

## **THE SERIES 2020 ASSESSMENTS**

### **General**

The primary source of payment for the Series 2020 Bonds is the Series 2020 Assessments imposed on Phase 1 pursuant to the Assessment Proceedings, as further described under "ASSESSMENT METHODOLOGY" herein. See also "APPENDIX B – ASSESSMENT REPORT" attached hereto. To the extent that landowners fail to pay such Series 2020 Assessments, delay payments, or are unable to pay the same, the prompt and successful pursuance of collection procedures available to the District will be essential to continued payment of principal and of interest of the Series 2020 Bonds. The Act provides for various methods of enforcing the collection of Delinquent Assessments by reference to other provisions of the Florida Statutes. See, "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

### **Structure and Prepayment of Series 2020 Assessments**

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

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

## ENFORCEMENT OF ASSESSMENT COLLECTIONS

### General

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

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

Pursuant to the Act and the Assessment Proceedings, the District may collect the Special Assessments through a variety of methods. See "BONDOWNERS' RISKS" herein. For undeveloped properties the District will directly issue annual bills to landowners requiring payment of the Special Assessments, and will enforce that bill through foreclosure proceedings. See "ASSESSMENT METHODOLOGY" herein and "APPENDIX B" hereto. For platted lands, the Special Assessments will be added to the County tax roll and collected pursuant to the Uniform Method of Collection provided by State law (the "Uniform Method"). The following is a description of certain statutory provisions relating to each of these collection methods. Such description is not intended to be exhaustive and is qualified in its entirety by reference to such statutes.

### Direct Billing & Foreclosure Procedure

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

of the one year tolling period required before the District may commence a foreclosure action under Chapter 173, Florida Statutes, it is likely the District would commence an action to foreclose in the same manner as the foreclosure of a real estate mortgage rather than proceeding under Chapter 173, Florida Statutes.

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

### **Uniform Method Procedure**

Subject to certain conditions, and for developed lands (as described above), the District may alternatively elect to collect the Special Assessments using the Uniform Method. The Uniform Method is available only in the event the District complies with statutory and regulatory requirements and enters into agreements with the Tax Collector and Property Appraiser providing for the Special Assessments to be levied and then collected in this manner.

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

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

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

The Tax Collector is required to collect the Taxes and Assessments on the tax bill prior to April 1 and, after that date, to institute statutory procedures upon delinquency to collect such Taxes and Assessments through the sale of "tax certificates," as discussed below. Delay in the mailing of tax notices

to taxpayers may result in a delay throughout this process. Neither the District nor the Underwriter can give any assurance to the holders of the Series 2020 Bonds (1) that the past experience of the Tax Collector with regard to tax and special assessment delinquencies is applicable in any way to the Special Assessments, (2) that future landowners and taxpayers in the District will pay such 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 Special Assessments and all other liens that are coequal therewith.

Collection of delinquent 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 Special Assessments due. Prior to the sale of tax certificates, the landowner may bring current the delinquent Taxes and Assessments and cancel the tax certificate process by paying the total amount of delinquent Taxes and Assessments plus all applicable interest, costs and charges. If the landowner does not act, the Tax Collector is required to attempt to sell tax certificates by public bid to the person who pays the delinquent Taxes and Assessments owing, and any applicable interest, costs and charges, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than 18%).

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

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

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

April 1 of the year of issuance of the certificate or as soon thereafter as is reasonable. The County pays costs and fees to the Tax Collector but not any amount to redeem any other outstanding certificates covering the land. Thereafter, the property is advertised for public sale.

In any such public sale conducted by the Clerk of the Circuit Court, the private holder of the tax certificate who is seeking a tax deed for non-homestead property is deemed to submit a minimum bid equal to the amount required to redeem the tax certificate, charges for the cost of sale, including costs incurred for the service of notice required by statute, redemption of other tax certificates on the land, and all other costs to the applicant for the tax deed, plus interest thereon. In the case of homestead property, the minimum bid is also deemed to include, in addition to the amount of money required for the minimum bid on non-homestead property, an amount equal to one-half of the latest assessed value of the homestead. If there are no higher bids, the holder receives title to the land, and the amounts paid for the certificate and in applying for a tax deed are credited toward the purchase price. The holder is also responsible for payment of any amounts included in the bid not already paid, including but not limited to, documentary stamp tax, recording fees, and, if property is homestead property, the moneys to cover the one-half value of the homestead. If there are other bids, the holder may enter the bidding. The highest bidder is awarded title to the land. The portion of proceeds of such sale needed to redeem the tax certificate, together with all subsequent unpaid taxes plus the costs and expenses of the application for deed, with interest on the total of such sums, are forwarded to the holder thereof or credited to such holder if such holder is the successful bidder. Excess proceeds are distributed first to satisfy governmental liens against the land and then to the former title holder of the property (less service charges), lienholder of record, mortgagees of record, vendees of recorded contracts for deeds, and other lienholders and any other person to whom the land was last assessed on the tax roll for the year in which the land was assessed, all as their interest may appear. If the property is purchased for an amount in excess of the statutory bid of the certificate holder, but such excess is not sufficient to pay all governmental liens of record, the excess shall be paid to each governmental unit pro rata.

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

If there are no bidders at the public sale, the clerk shall enter the land on a list entitled "lands available for taxes" and shall immediately notify the County Commission that the property is available. At any time within ninety (90) days from the date the property is placed on the list, the County may purchase the land for the opening bid, or may waive its rights to purchase the property. Thereafter, and without further notice or advertising, any person, the County or any other governmental unit may purchase the land by paying the amount of the opening bid. Ad valorem taxes and non-ad valorem assessments accruing after the date of public sale do not require repetition of the bidding process but are added to the minimum bid. Three years from the date the property was offered for sale, unsold lands escheat to the County in which they are located, free and clear, and all tax certificates and liens against the property are canceled and a deed is executed vesting title in the governing board of such County.

There can be no guarantee that the Uniform Method will result in the payment of Special Assessments. For example, the demand for tax certificates is dependent upon various factors, which include the rate of interest that can be earned by ownership of such certificates and the underlying value of the land that is the subject of such certificates and which may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the property within the District may affect the demand for certificates and the successful collection of the Special Assessments, which are the primary

source of payment of the Series 2020 Bonds. Additionally, legal proceedings under Federal bankruptcy law brought by or against a landowner who has not yet paid his or her property taxes or assessments would likely result in a delay in the sale of tax certificates. See "BONDOWNERS' RISKS" herein.

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**ESTIMATED SOURCES AND USES OF THE 2020 BOND PROCEEDS**

<b>Sources:</b>	
Par Amount of Series 2020 Bonds	\$ _____
[Plus/Less Bond Premium/Discount]	_____
<b>Total Sources</b>	<b>\$ _____</b>
<b>Uses:</b>	
Deposit to 2020 Acquisition and Construction Account	\$ _____
Deposit to 2020 Interest Account	_____
Deposit to 2020 Reserve Account	_____
Deposit to 2020 Costs of Issuance Account	_____
Underwriter's Discount	_____
<b>Total Uses</b>	<b>\$ _____</b>

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

**DEBT SERVICE REQUIREMENTS**

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

[Remainder of page intentionally left blank]

## **BONDOWNERS' RISKS**

There are certain risks inherent in an investment in bonds secured by special assessments issued by a public authority or governmental body in the State. Certain of such risks are associated with the Series 2020 Bonds offered hereby and are set forth below. This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2020 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum, including all appendices hereto, in its entirety to identify investment considerations relating to the Series 2020 Bonds. Prospective investors in the Series 2020 Bonds should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Series 2020 Bonds and have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment.

### **Limited Pledge**

The principal security for the payment of the principal of and interest on the Series 2020 Bonds is the timely collection of the Series 2020 Assessments. Recourse for the failure of any landowner to pay the Series 2020 Assessments, or otherwise fail to comply with its obligations, is limited to the collection proceedings against the land, which proceedings differ depending on whether the Series 2020 Assessments are being collected pursuant to the Uniform Method or directly by the District. The Series 2020 Assessments do not constitute a personal indebtedness of the landowners, but are secured only by a lien on the land in Phase 1. The District has not granted, and may not grant under Florida law, a mortgage or security interest on any land subject to the Series 2020 Assessments. Furthermore, the District has not pledged the revenues, if any, from the operation of any portion of the Series 2020 Project as security for, or a source of payment of, the Series 2020 Bonds. The Developer is not a guarantor of payment of any Series 2020 Assessments and the recourse for the Developer's failure to pay the Series 2020 Assessments on any land owned by the Developer in Phase 1, like any landowner, is limited to the collection proceedings against such land. Several mortgage lenders have in the past, raised legal challenges to the primacy of liens similar to those of the Series 2020 Assessments in relation to the liens of mortgages burdening the same real property. There can be no assurance that mortgage lenders will not challenge the priority of the lien status of the Series 2020 Assessments in the event that actions are taken to foreclose on any property in Phase 1.

### **Bankruptcy and Related Risks**

The various legal opinions to be delivered concurrently with the delivery of the Series 2020 Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. Under existing constitutional and statutory law and judicial decisions, in the event of the institution of bankruptcy or similar proceedings with respect to any landowner including the Developer, if applicable, the remedies specified by federal, state and local law and in the Indenture and the Series 2020 Bonds, including, without limitation, enforcement of the obligation to pay the Series 2020 Assessments may not be readily available or may be limited. Bankruptcy can also affect the ability of (1) any landowner being able to pay the Series 2020 Assessments, (2) the Tax Collector being able to sell tax certificates related to land owned by a landowner in bankruptcy, to the extent the Uniform Method is being utilized for collecting the Series 2020 Assessments, and (3) the inability of the District to foreclose the lien of the Series 2020 Assessments not being collected by the Uniform Method. Any such adverse effect, either partially or fully, on the ability to enforce such remedies could have a material adverse effect on the District's ability to make the full or punctual payment of debt service on the Series 2020 Bonds.

### **Delay and Discretion Regarding Remedies**

The remedies available to the owners of the Series 2020 Bonds are in many respects dependent upon judicial actions which are often subject to discretion and delay. In addition to legal delays that could result from bankruptcy, the ability of the District to enforce collection of Delinquent Assessments will be dependent upon various factors, including the delay inherent in any judicial proceeding and the value of the land which is the subject of such proceedings and which may be subject to sale. In addition, if the District commences a foreclosure action against a landowner for nonpayment of Series 2020 Assessments, such landowner might raise affirmative defenses to such foreclosure action, which affirmative defenses could result in delays in completing the foreclosure action.

### **Limitation on Funds Available to Exercise Remedies**

In the event of a default by a landowner in payment of Series 2020 Assessments, if the Series 2020 Assessments are not collected under the Uniform Method, the District is required under the Indenture to fund the costs of foreclosure. It is possible that the District will not have sufficient funds therefor and will be compelled to request the owners of the Series 2020 Bonds to allow funds on deposit under the Indenture to be used to pay such costs. Under the Code (hereinafter defined), there are limitations on the amount of the 2020 Bond proceeds that can be used for such purposes. As a result, there may be insufficient funds for the exercise of remedies.

### **Determination of Land Value upon Default**

To the extent that any portion of the Series 2020 Assessments are being collected by the Uniform Method, the ability of the Tax Collector to sell tax certificates, and to the extent that any portion of the Series 2020 Assessments are not being collected by the Uniform Method, the ability of the District to sell land upon foreclosure, both will be dependent upon various factors, including the interest rate which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates and which may be subject to sale at the demand of the certificate holder after two years. The determination of the benefits to be received by the benefitted land within the District as a result of implementation and development of the Series 2020 Project is not indicative of the realizable or market value of the land, which value may actually be higher or lower than the assessment of benefits. In other words, the value of the land could potentially be ultimately less than the debt secured by the Series 2020 Assessments associated with it. To the extent that the realizable or market value of the land is lower than the assessment of benefits, the ability of the Tax Collector to sell tax certificates relating to such land, or the District to sell such land upon foreclosure, may be adversely affected. Such adverse effect could render the District unable to collect Delinquent Assessments, if any, and could negatively impact the ability of the District to make the full or punctual payment of debt service on the Series 2020 Bonds.

### **Landowner Challenge of Assessed Valuation**

Florida law provides a procedure whereby a taxpayer may contest a "tax assessment." It is unclear whether this procedure applies to non-ad valorem assessments such as the Series 2020 Assessments and there are judicial decisions that support both views. Under the procedure, a taxpayer may bring suit to contest a "tax assessment" if the taxpayer pays the amount of "tax" that the taxpayer admits to owing. Upon the making of such payment, all procedures for the collection of the unpaid taxes are suspended until the suit is resolved. If it is determined that the procedure applies to non-ad valorem assessments such as the Series 2020 Assessments, it is possible that such a challenge could result in collection procedures for

Delinquent Assessments being held in abeyance until the challenge is resolved. This would result in a delay in the collection of the Series 2020 Assessments which could have a material adverse effect upon the ability of the District to make full or punctual payment of debt service on the Series 2020 Bonds. If the Series 2020 Assessments are being collected along with ad valorem taxes pursuant to the Uniform Method, tax certificates will not be sold while the challenge is pending with respect to the Series 2020 Assessments even if the landowner is not contesting the amount of such special assessments.

### **Failure to Comply with Assessment Proceedings**

The District is required to comply with statutory procedures in levying the Series 2020 Assessments. Failure of the District to follow these procedures could result in the Series 2020 Assessments not being levied or potential future challenges to such levy.

### **Other Taxes**

The willingness and/or ability of a landowner within Phase 1 to pay the Series 2020 Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District, such as a county, a school board, a municipality and other special districts, could, without the consent of the owners of the land within Phase 1, impose additional taxes or assessments on the property within Phase 1. County, municipal, school and special district taxes and assessments, including the Series 2020 Assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on bonds are payable at the same time when collected under the Uniform Method. If a taxpayer does not make complete payment, he or she cannot designate specific line items on the tax bill as deemed paid in full. In such case, the Tax Collector does not accept partial payment. Therefore, any failure by a landowner to pay any one line item, whether or not it is the Series 2020 Assessments, would result in such landowner's assessments to not be collected, which could have a significant adverse impact on the District's ability to make full or punctual payment of debt service on the Series 2020 Bonds.

The District may also impose additional assessments which could encumber the property burdened by the Series 2020 Assessments. The District anticipates imposing operation and maintenance assessments encumbering the same property encumbered by the Series 2020 Assessments. In addition, lands within the District may also be subject to assessments by property and home owner associations.

### **Inadequacy of Reserve**

Some of the risk factors described herein, if materialized, could result in a delay in the collection of the Series 2020 Assessments or a failure to collect the Series 2020 Assessments, but may not affect the timely payment of debt service on the Series 2020 Bonds because of the 2020 Reserve Account established by the District for the Series 2020 Bonds. However, the ability of the District to fund deficiencies caused by delinquent or delayed Series 2020 Assessments is dependent upon the amount, duration and frequency of such deficiencies or delays. If the District has difficulty in collecting the Series 2020 Assessments, the 2020 Reserve Account could be rapidly depleted and the ability of the District to pay debt service could be materially adversely affected. Owners should note that although the Indenture contains the 2020 Reserve Account Requirement for the 2020 Reserve Account, and a corresponding obligation on the part of the District to replenish the 2020 Reserve Account to the 2020 Reserve Account Requirement, the District does not have a designated revenue source for replenishing the 2020 Reserve Account. Moreover, the District

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

Moneys on deposit in the 2020 Reserve Account may be invested in certain obligations permitted under the Indenture. Fluctuations in interest rates and other market factors could affect the amount of moneys available in the 2020 Reserve Account to make up deficiencies or delays in collection of Series 2020 Assessments.

### **Economic Conditions**

The proposed Development may be affected by changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the landowners or the District. Although the Developer expects to continue to develop lots and build homes to sell to end users, there can be no assurance that such sales will occur or be realized in the manner currently anticipated.

### **Concentration of Land Ownership in Phase 1**

Until further development and home closings take place in Phase 1, payment of the Series 2020 Assessments is dependent upon their timely payment by the Developer. At closing of the sale of the Series 2020 Bonds it is expected that a majority of the lands within Phase 1 will continue to be owned either directly or indirectly by the Developer. In the event of the institution of bankruptcy or similar proceedings with respect to the Developer or any other subsequent significant owner of property within the District, delays could most likely occur in the payment of debt service on the Series 2020 Bonds. Such bankruptcy could negatively impact the ability of: (i) the Developer or any other landowner being able to pay the Series 2020 Assessments; (ii) the Tax Collector to sell tax certificates in relation to such property with respect to the Series 2020 Assessments being collected pursuant to the Uniform Method; and (iii) the District to foreclose the lien of any Series 2020 Assessments not being collected pursuant to the Uniform Method. The Uniform Method will not be used with respect to any assessable lands that are not platted, unless, in an Event of Default, a majority of the owners of the Series 2020 Bonds Outstanding directs the District to use the Uniform Method.

### **Undeveloped Land**

A portion of the acreage in Phase 1 and encumbered by the Series 2020 Assessments is undeveloped. The ultimate successful development of the acreage in Phase 1 depends on several factors discussed herein. There is no assurance that the Developer and other landowners will be successful in developing part or all of the undeveloped acreage.

### **Change in Development Plans**

The Developer has the right to modify or change plans for development of property within Phase 1 and the Development, from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size and number of units to be developed, and may seek in the future, in accordance with, and subject to the provisions of the Act, to contract or expand the boundaries of the District.

### **Bulk Sale of Land in Phase 1**

The Developer may make bulk sales of all or a portion of the lands owned by it within Phase 1 at any time. Bulk sale agreements may be canceled or amended, without the consent of the District or any other party. Such changes could affect the purchase price of, delivery timing and/or development of lots within the District that is otherwise described herein.

### **Completion of the Phase 1 CIP**

The 2020 Bond proceeds will not be sufficient to finance the completion of the Phase 1 CIP. The portions of the Phase 1 CIP not funded with proceeds of the Series 2020 Bonds are expected to be funded with contributions from the Developer. There is no assurance that the Developer will be able to pay for the cost of any of these improvements. Upon issuance of the Series 2020 Bonds, the Developer will enter into the Completion Agreement with respect to any portions of the Phase 1 CIP not funded with the proceeds of the Series 2020 Bonds. See "THE DEVELOPMENT – Land Acquisition/Development Financing" and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2020 BONDS – Completion Agreement" herein.

Upon issuance of the Series 2020 Bonds, the Developer will also execute and deliver to the District the Collateral Assignment, pursuant to which the Developer will collaterally assign to the District, to the extent assignable and to the extent that they are solely owned or controlled by the Developer, all of its development rights relating to the Phase 1 CIP as security for Developer's payment and performance and discharge of its obligation to pay the Series 2020 Assessments. However, there can be no assurance that the District will have sufficient moneys on hand to complete the Phase 1 CIP or the remainder of the CIP or that the District will be able to raise through the issuance of bonds, or otherwise, the moneys necessary to complete the remainder of the CIP. Other than Bonds issued to refund a portion of the then Outstanding Series 2020 Bonds, the issuance of which, as determined by the District, results in present value debt service savings, the District has agreed in the Indenture that it shall not, while any Series 2020 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the 2020 Trust Estate. In addition, the District has covenanted that it will not issue any other Bonds or other debt obligations secured by Special Assessments on assessable lands which are also encumbered by the Series 2020 Assessments for any capital project unless the Series 2020 Assessments have been Substantially Absorbed; provided, however, that the foregoing shall not preclude the imposition of Special Assessments on property subject to the Series 2020 Assessments which as determined by the District, are necessary for health, safety, and welfare reasons or to remediate a natural disaster. The District may issue Bonds or other debt obligations secured by Special Assessments on assessable lands not encumbered by the Series 2020 Assessments without limitation except as limited by the documents pursuant to which such Bonds or debt are issued. Undeveloped or partially developed land is inherently less valuable than developed land and provides less security to the owners of the Series 2020 Bonds should it be necessary to institute proceedings due to the nonpayment of the Series 2020 Assessments. Failure to complete or substantial delays in the completion of the Phase 1 CIP or the CIP due to litigation or other causes may reduce the value of the District Lands and increase the length of time during which Special Assessments will be payable from undeveloped property and may affect the willingness and ability of the landowners to pay the Series 2020 Assessments when due and likewise the ability of the District to make full or punctual payment of debt service on the Series 2020 Bonds.

## **Regulatory and Environmental Risks**

The Development is subject to comprehensive federal, state and local regulations and future changes to such regulations. Approval is required from various public agencies in connection with, among other things, the design, nature and extent of 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.

The value of the District Lands, the ability to complete the Phase 1 CIP and develop the CIP and the Development and the likelihood of timely payment of debt service on the Series 2020 Bonds could be affected by environmental factors with respect to the District Lands, such as contamination by hazardous materials. 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 of the District Lands. 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.

### **District May Not be Able to Obtain Permits**

In connection with a foreclosure of the lien of the assessments prior to completion of the development, the Circuit Court in and for Lake County, Florida concluded that a community development district had no right, title or interest in any permits and approvals owned by the owner of the parcels so foreclosed. As discussed above, the District and the Developer will enter into the Assignment Agreement upon issuance of the Series 2020 Bonds in which the Developer collaterally assigns to the District all of Developer's development rights and contract rights relating to the Phase 1 CIP as to lands owned by Developer. Notwithstanding the foregoing, in the event that the District forecloses on the property subject to the lien of the Series 2020 Assessments, to enforce payment thereof, the District may not have the right, title or interest in the permits and approvals owned by the landowner and failure to obtain any such permits or approvals in a timely manner could delay or adversely affect the completion of the development of the District Lands.

### **Damage to District from Natural Disasters**

The value of the lands subject to the Series 2020 Assessments could be adversely affected 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 unable to support the development and construction of the Phase 1 CIP or the remainder of the CIP. The occurrence of any such events could materially adversely affect the District's ability to collect Series 2020 Assessments and pay debt service on the Series 2020 Bonds. The Series 2020 Bonds are not insured and the District's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

### **Limited Secondary Market**

The Series 2020 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2020 Bonds in the event an owner thereof determines to

solicit purchasers of the Series 2020 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2020 Bonds may be sold. Such price may be lower than that paid by the current owner of the Series 2020 Bonds, depending on the progress of the Development, existing market conditions and other factors.

### **Interest Rate Risk; No Rate Adjustment for Taxability**

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

The Indenture does not contain an adjustment of the interest rate on the Series 2020 Bonds in the event of a determination of taxability of the interest thereon. Such a change could occur as a result of the District's failure to comply with tax covenants contained in the Indenture or the tax certificate signed by the District upon issuance of the Series 2020 Bonds or due to a change in the United States income tax laws. Should interest on the Series 2020 Bonds become includable in gross income for federal income tax purposes, owners of the Series 2020 Bonds will be required to pay income taxes on the interest received on such Series 2020 Bonds and related penalties. Because the interest rate on such Series 2020 Bonds will not be adequate to compensate owners of the Series 2020 Bonds for the income taxes due on such interest, the value of the Series 2020 Bonds may decline. Prospective purchasers of the Series 2020 Bonds should evaluate whether they can own the Series 2020 Bonds in the event that the interest on the Series 2020 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.

### **IRS Audit and Examination Risk**

The Internal Revenue Service (the "IRS") routinely examines bonds issued by state and local governments, including bonds issued by community development districts. There is no assurance that an audit by the IRS of the Series 2020 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 2020 Bonds are advised that, if the IRS does audit the Series 2020 Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the owners of the Series 2020 Bonds may have limited rights to participate in such procedure.\* The commencement of such an audit could adversely affect the market value and liquidity of the Series 2020 Bonds until the audit is concluded, regardless of the ultimate outcome. In addition, in the event of an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2020 Bonds, it is unlikely the District will have available revenues to enable it to contest such determination or enter into a voluntary financial settlement with the IRS. An adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2020 Bonds

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

may adversely impact any secondary market for the Series 2020 Bonds, and, if a secondary market exists, will likely adversely impact the price for which the Series 2020 Bonds may be sold.

It has been reported that the IRS has recently closed audits of other community development districts in Florida with no change to such districts' bonds' tax exempt status, but has advised such districts that such districts must have public electors within five years of the issuance of tax-exempt bonds or their bonds may be determined to be taxable retroactive to the date of issuance. Pursuant to the Act, general elections are not held until the later of six years 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 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 Developer, and none were elected by qualified electors.

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

### **Florida Village Center CDD TAM**

In 2016, the IRS concluded its lengthy examination of certain issues of bonds (for purposes of this paragraph, the "Audited Bonds") issued by Village Center Community Development District (the "Village Center CDD"). During the course of the audit of the Audited Bonds, Village Center CDD received a ruling dated May 30, 2013, in the form of a non-precedential technical advice memorandum ("TAM") concluding that Village Center CDD is not a political subdivision for purposes of Section 103(a) of the Code because Village Center CDD was organized and operated to perpetuate private control and avoid indefinitely responsibility to an electorate, either directly or through another elected state or local government body. Such a conclusion could lead to the further conclusion that the interest on the Audited Bonds was not excludable from gross income of the owners of such bonds for federal income tax purposes. Village Center CDD received a second TAM dated June 17, 2015, which granted relief to Village Center CDD from retroactive application of the IRS's conclusion regarding its failure to qualify as a political subdivision. Prior to the conclusion of the audits, the Audited Bonds were all refunded with taxable bonds. The audit of the Audited Bonds that were issued for utility improvements were closed without change to the tax exempt status of those Audited Bonds on April 25, 2016, and the audit of the remainder of the Audited Bonds (which funded recreational amenity acquisitions from entities related to the principal landowner in the Village Center CDD) was closed on July 14, 2016, without the IRS making a final determination that the interest on the Audited Bonds in question was required to be included in gross income. However, the IRS

letter to the Village Center CDD with respect to this second set of Audited Bonds noted that the Agency found that the Village Center CDD was not a "proper issuer of tax-exempt bonds" and that those Audited Bonds were private-activity bonds that did not fall in any of the categories that qualify for tax-exemption. Although the TAMs and the letters to the Village Center CDD from the IRS referred to above are addressed to, and binding only on, the IRS and Village Center CDD in connection with the Audited Bonds, they reflect the audit position of the IRS, and there can be no assurance that the IRS would not commence additional audits of bonds issued by other community development districts raising issues similar to the issues raised in the case of the Audited Bonds based on the analysis set forth in the first TAM or on the related concerns addressed in the July 14, 2016 letter to the Village Center CDD.

### **Legislative Proposals and State Tax Reform**

It is impossible to predict what new proposals may be presented regarding ad valorem tax reform and/or community development districts during upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Florida Senate and House of Representatives and signed by the Governor of the State, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any pending or future legislation will or may have on the security for the Series 2020 Bonds.

### **Loss of Exemption from Securities Registration**

Since the Series 2020 Bonds have not been, and will not be, registered under the Securities Act, or any state securities laws, because of the exemption for political subdivisions and regardless of any potential IRS determination that the District is not a political subdivision for purposes of the Code, it is possible that federal or state regulatory authorities could independently determine that the District is not a political subdivision for purposes of the federal and state securities laws. Accordingly, the District and purchasers of the Series 2020 Bonds may not be able to rely on the exemption from registration relating to securities issued by political subdivisions. In that event, the owners of the Series 2020 Bonds would need to ensure that subsequent transfers of the Series 2020 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act.

### **Performance of District Professionals**

The District has represented to the Underwriter that it has selected its District Manager, District Counsel, Consulting Engineer, Methodology Consultant, Trustee and other professionals with the appropriate due diligence and care. While the foregoing professionals have each represented that they have the requisite experience to accurately and timely perform the duties assigned to them in such roles, the District does not guarantee the performance of such professionals.

### **Mortgage Default and FDIC**

In the event a bank forecloses on a property in the Phase 1 because of a default on a mortgage with respect thereto 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 2020 Assessments. In addition, the District would be required to obtain the consent of the FDIC prior to commencing a foreclosure action on such property for failure to pay Series 2020 Assessments.

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

## TAX MATTERS

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the District must continue to meet after the issuance of the Series 2020 Bonds in order that interest on the Series 2020 Bonds not be included in gross income for federal income tax purposes. The failure by the District to meet these requirements may cause interest on the Series 2020 Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance. The District has covenanted to comply with the requirements of the Code in order to maintain the excludability of interest on the Series 2020 Bonds from gross income for federal income tax purposes.

In the opinion of Akerman LLP, Bond Counsel, under existing statutes, regulations, published rulings and judicial decisions and assuming continuing compliance with certain covenants set forth in the Indenture and the accuracy of certain representations included in the closing transcript for the Series 2020 Bonds, (i) interest on the Series 2020 Bonds is, under Section 103 of the Code, excludable from gross income for federal income tax purposes and (ii) interest on the Series 2020 Bonds will not be a specific preference item for purposes of the federal alternative minimum tax.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt of interest on, or disposition of the Series 2020 Bonds. Prospective purchasers of the Series 2020 Bonds should be aware that the ownership of the Series 2020 Bonds may result in other collateral federal tax consequences. Prospective purchasers of the Series 2020 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. 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.

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress that, if enacted into law, could alter or amend one or more of the federal tax matters described above including, without limitation, the excludability from gross income of interest on the Series 2020 Bonds, adversely affect the market price or marketability of the Series 2020 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 apply to the Series 2020 Bonds. If enacted into law, such legislative proposals could affect the market price or marketability of the Series 2020 Bonds. Prospective purchasers of the Series 2020 Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

In the opinion of Bond Counsel, the Series 2020 Bonds and interest thereon will not be subject to taxation under the laws of the State, except estate taxes and taxes under Chapter 220, Florida Statutes, as

amended. Prospective purchasers of the Series 2020 Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2020 Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

### **Tax Treatment of Original Issue Discount**

Under the Code, the difference between the maturity amount of the Series 2020 Bonds maturing on \_\_\_\_\_ 1, \_\_\_\_ (the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of District of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.

### **Tax Treatment of Bond Premium**

The difference between the principal amount of the Series 2020 Bonds maturing on \_\_\_\_\_ 1, \_\_\_\_ through and including \_\_\_\_\_ 1, \_\_\_\_ (collectively, the "Premium Bonds"), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.

## DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder requires that the District make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975. The District was established in December 2019 and has issued no bonds prior to the issuance of the Series 2020 Bonds.

### NO RATING OR CREDIT ENHANCEMENT

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

### VALIDATION

The Bonds issued pursuant to the terms of the Master Indenture, which includes the Series 2020 Bonds, were validated by a Final Judgment in the Circuit Court of the Tenth Judicial Circuit of the State of Florida, in and for Polk County, Florida, rendered on [\_\_\_\_\_], 2020. The appeal period from such final judgment has expired with no appeal being filed.

### LITIGATION

#### **The District**

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

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

#### **The Developer**

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

## CONTINUING DISCLOSURE

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

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

The District Annual Report and the Developer Report (together, the "Reports") will each be filed by the Dissemination Agent with the Municipal Security Rulemaking Board's Electronic Municipal Markets Access ("EMMA") repository described in the form of the Disclosure Agreement attached hereto as APPENDIX E. The notices of material events will also be filed by the District with EMMA. The specific nature of the information to be contained in the Reports and the notices of material events are described in APPENDIX E. The Disclosure Agreement will be executed by the District, the Developer and the Dissemination Agent at the time of issuance of the Series 2020 Bonds. The foregoing covenants have been made in order to assist the Underwriter in complying with the SEC Rule.

For the immediately preceding five fiscal years ending September 30 the District has not been a party to any continuing disclosure undertaking. With respect to the Series 2020 Bonds, no parties other than the District and the Developer are obligated to provide, nor are expected to provide, any continuing disclosure information with respect to the SEC Rule.

### **Continuing Compliance – The Developer**

[To come]

## UNDERWRITING

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

and the Underwriter will be obligated to purchase all of the Series 2020 Bonds if any Series 2020 Bonds are purchased.

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

## **LEGAL MATTERS**

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

## **AGREEMENT BY THE STATE**

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

## **NO FINANCIAL STATEMENTS**

The District was established pursuant to the Ordinance No. 19-1666 effective on December 5, 2019. Since its establishment, the District has not met the financial thresholds that would require it to prepare and file audited financial statements. Therefore no financial statements for the District are available at this time.

## **EXPERTS AND CONSULTANTS**

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

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

### **CONTINGENT AND OTHER FEES**

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

### **MISCELLANEOUS**

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

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

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

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

**CHARLES COVE COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Its: Chairman

**APPENDIX A**  
**Engineer's Report**

**APPENDIX B**  
**Assessment Report**

**APPENDIX C**

**Forms of Master Indenture and First Supplement**

APPENDIX D

**Form of Opinion of Bond Counsel**

**APPENDIX E**

**Form of Continuing Disclosure Agreement**



**EXHIBIT D**

## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") dated April \_\_, 2020, is executed and delivered by the Charles Cove Community Development District (the "Issuer"), D.R. Horton, Inc. (the "Developer") and PFM Group Consulting LLC, as Dissemination Agent (the "Dissemination Agent") in connection with the issuance by the Issuer of its \$\_\_\_\_\_ aggregate principal amount of Special Assessment Revenue Bonds, Series 2020 (2020 Assessment Area) (the "Series 2020 Bonds"). The Series 2020 Bonds are being issued pursuant to a Master Trust Indenture dated as of April 1, 2020 (the "Master Indenture") by and between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"), as amended and supplemented from time to time, and as particularly supplemented by a First Supplemental Trust Indenture by and between the District and the Trustee and dated as of April 1, 2020 (the "First Supplemental Indenture," and, together with the Master Indenture, the "Indenture"). The Issuer, the Developer and the Dissemination Agent covenant and agree as follows:

1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Developer, and the Dissemination Agent for the benefit of the Beneficial Owners of the Series 2020 Bonds and to assist the Participating Underwriter in complying with the continuing disclosure requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended from time to time (the "Rule").

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

2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

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

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

**"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 Series 2020 Bonds (including persons holding Series 2020 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2020 Bonds for federal income tax purposes.

**"Business Day"** means any day other than a Saturday, Sunday or a day on which the Trustee is required, or authorized or not prohibited by law (including executive orders), to close and is closed, or on any day on which the New York Stock Exchange is closed.

**"Developer"** shall mean D.R. Horton, Inc.

**"Developer Report"** shall mean any Developer Report provided by the Developer, its successors or assigns, pursuant to, and as described in, Sections 5 and 6 of this Disclosure Agreement.

**"Development"** shall have the meaning ascribed thereto in the Limited Offering Memorandum.

**"Dissemination Agent"** shall mean, initially, PFM Group Consulting LLC, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer and Trustee a written acceptance of such designation.

**"District Manager"** shall mean PFM Group Consulting LLC, or a successor District Manager.

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

**"Fiscal Year"** shall mean the 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.

**"Issuer Disclosure Representative"** shall mean the District Manager of the Issuer or his/her/its designee, or such other officer or employee as the Issuer shall designate in writing to the Trustee and the Dissemination Agent from time to time.

**"Limited Offering Memorandum"** shall mean the final offering document relating to the Series 2020 Bonds.

**"Listed Events"** shall mean any of the events listed in Section 7(a) of this Disclosure Agreement.

**"Obligated Person"** shall mean any person, including the Issuer and the Developer, and its successors and assigns, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all or part (twenty percent (20%) or more) of the obligations on the Series 2020 Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

**"Participating Underwriter"** shall mean the original underwriter of the Series 2020 Bonds required to comply with the Rule in connection with offering of the Series 2020 Bonds.

**"Repository"** shall mean each entity authorized and approved by the SEC from time to time to act as a repository for purposes of complying with the Rule. The Repositories currently 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 Municipal Securities Rulemaking Board, which currently accepts continuing disclosure submissions through its Electronic Municipal Market Access ("EMMA") web portal at "<http://emma.msrb.org>."

**"State"** shall mean the State of Florida.

3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, by April 1 of the calendar year following the end of each Fiscal Year of the Issuer (the "Annual Filing Date"), beginning April 1, 2021 with respect to the report for the 2020 Fiscal Year, provide to any Repository in electronic format as prescribed by such Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. 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 later than the date required above, but in no event later than the date required to be filed with the State pursuant to applicable State law (currently within nine (9) months of the end of the Issuer's Fiscal Year), for the filing of the Annual Report if they are not available by that date. 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 7(a).

(b) If on the fifteenth (15th) day prior to each Annual Filing Date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 3(a) above. Upon such reminder, the Issuer Disclosure Representative, shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report in accordance with Section 3(a) above, or (ii) instruct the Dissemination Agent in writing that the Issuer, will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the

Dissemination Agent that a Listed Event as described in Section 7(a)(17) has occurred and to immediately send a notice to any Repository in electronic format as required by such Repository in substantially the form attached as Exhibit A hereto.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name, address and filing requirements of any Repository; and

(ii) within five (5) Business Days of filing the Annual Report, file a notice with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing any Repository to which it was provided.

4. Content of Issuer's Annual Report.

(a) The Issuer's Annual Report shall contain or incorporate by reference the following, which includes an update of the financial and operating data of the Issuer to the extent presented in the Limited Offering Memorandum. All information in the Annual Report shall be presented for the immediately preceding Fiscal Year and, to the extent available, the current Fiscal Year:

(i) The amount of Assessments levied.

(ii) The amount of Assessments collected from property owners.

(iii) If available, the amount of delinquencies greater than 150 days, and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of Assessments due in any year, a list of delinquent property owners with respect to Assessments billed and collected directly by the Issuer and with respect to Assessments collected by the County Tax Collector, unless such information is not available from the County Tax Collector.

(iv) The amount of tax certificates sold, if any, and the balance, if any, remaining for sale.

(v) All fund balances in all Funds and Accounts for the Series 2020 Bonds. Upon request, the Issuer shall provide any Beneficial Owners and the Dissemination Agent with this information more frequently than annually and, in such case, shall provide such information within thirty (30) days of the written request of the Beneficial Owners.

(vi) The total amount of Series 2020 Bonds Outstanding.

(vii) The amount of principal and interest due on the Series 2020 Bonds.

(viii) The most recent audited financial statements of the Issuer which shall be prepared in accordance with governmental accounting standards promulgated by the Government Accounting Standards Board.

(ix) Any amendment or waiver of the provisions hereof as described in Section 11 hereof.

(b) 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.

(c) The Issuer represents and warrants that it will supply, in a timely fashion, any information available to the Issuer and 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 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 or others as thereafter disseminated by the Dissemination Agent.

The information provided under this Section 4 may be included by specific reference to documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on EMMA (or any successor Repository's website) or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

The Issuer reserves the right to modify from time to time the specific types of information provided in its Annual Report or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

5. Provision of Developer Report.

(a) The Developer shall, or shall cause the Dissemination Agent to, 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 "Quarterly Filing Date"), beginning with the quarter ending September 30, 2020, provide to any Repository in electronic format as prescribed by such Repository a Developer Report which is consistent with the requirements of Section 6(b) of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to each Quarterly Filing Date the Dissemination Agent has not received a copy of the Developer Report due on such Quarterly

Filing Date, the Dissemination Agent shall contact the Developer by telephone and in writing (which may be by e-mail) to remind the Developer of its undertaking to provide the Developer Report pursuant to this Section 5. Upon such reminder, the Developer shall either (i) provide the Dissemination Agent with an electronic copy of the Developer Report in accordance with Section 5(a) above, or (ii) instruct the Dissemination Agent in writing that the Developer will not be able to file the Developer Report within the time required under this Disclosure Agreement and state the date by which such Developer Report will be provided.

(c) If the Dissemination Agent has not received a Developer Report that contains the information in Section 6(b) of this Disclosure Agreement by 12:00 noon on the first Business Day following each Quarterly Filing Date, a Listed Event described in Section 7(a)(17) shall have occurred and the Issuer and the Developer hereby direct the Dissemination Agent to send a notice to each Repository in substantially the form attached as Exhibit A hereto, with a copy to the Issuer. The Dissemination Agent shall file such notice no later than ten (10) days following the applicable Quarterly Filing Date.

(d) The Dissemination Agent shall:

(i) determine prior to each Quarterly Filing Date the name and address of each Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Developer and the Issuer stating that the Developer Report has been provided pursuant to this Disclosure Agreement and stating the date(s) it was provided.

#### 6. Content of Developer Report.

(a) The Developer, so long as it is an Obligated Person for purposes of this Disclosure Agreement, shall file, or cause to be filed by the Dissemination Agent, a Developer Report no later than the Quarterly Filing Date. At such time as the Developer is no longer an Obligated Person, Developer will no longer be obligated to prepare any quarterly Developer Report pursuant to this Disclosure Agreement; provided, however, if the Developer was an Obligated Person at any time during a quarter, the Developer shall report for the remainder of that quarter indicating in such report the date that the Developer ceased being an Obligated Person.

(b) Each quarterly Developer Report shall contain the following information:

(i) An update of the chart included in subsection "THE DEVELOPMENT – Residential Land Use and Development Plan";

(ii) An update of the table in the subsection "THE DEVELOPMENT – Projected Absorption";

(iii) A description of the infrastructure improvements and recreational amenities needed for the Development that have been completed and that are currently under construction, including infrastructure financed by the Series 2020 Bonds;

(iv) The percentage of the infrastructure financed by the Series 2020 Bonds that has been completed;

(v) The number of assessable units planned on property subject to the Assessments;

(vi) The number of assessable units closed with retail end users;

(vii) The number of assessable units under contract with retail end users;

(viii) The number of lots under contract with builders, together with the name of each builder, if applicable;

(ix) The number of lots closed with builders, together with the name of each builder, if applicable;

(x) The estimated date of complete build-out of assessable units in Phase 1;

(xi) Whether the Developer has made any bulk sale of the land subject to the Assessments;

(xii) The status of development approvals for the Development;

(xiii) Materially adverse changes or determinations to permits/approvals/entitlements for the Development which necessitate changes to the Developer's land-use or other plans for the Development;

(xiv) Updated plan of finance (i.e., change in status of any credit enhancement, issuance of additional bonds to complete project, draw on credit line of Developer, additional mortgage debt, etc.); and

(xv) Any event that would have a material adverse impact on the implementation of the Development as described in the Limited Offering Memorandum or on the Developer's ability to undertake the Development as described in the Limited Offering Memorandum.

(c) Any of the items listed in subsection (b) above may be incorporated by reference from other documents which have been submitted to each of the Repository or the

SEC. The Developer shall clearly identify each such other document so incorporated by reference.

(d) If the Developer sells, assigns or otherwise transfers ownership of real property in the Development to a third party, which will in turn be an Obligated Person for purposes of this Disclosure Agreement as a result thereof (a "Transfer"), the Developer hereby agrees to require such third party to comply with the disclosure obligations of the Developer hereunder for so long as such third party is an Obligated Person hereunder, to the same extent as if such third party were a party to this Disclosure Agreement. The Developer involved in such Transfer shall promptly notify the Issuer and the Dissemination Agent in writing of the Transfer. For purposes of Sections 5, 6, 7 and 9 hereof, the term "Developer" shall be deemed to include the Developer and any third party that becomes an Obligated Person hereunder as a result of a Transfer. In the event that the Developer remains an Obligated Person hereunder following any Transfer, nothing herein shall be construed to relieve the Developer from its obligations hereunder.

7. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 7, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2020 Bonds and the Developer shall give, or cause to be given, notice of the occurrence of numbers 10, 12, 13, 15, 16, 17 and 18 of the following events as they pertain to the Developer (and the Issuer shall not be responsible therefor), to the Dissemination Agent in writing in sufficient time in order to allow the Dissemination Agent to file notice of the occurrence of such Listed Event in a timely manner not in excess of ten (10) Business Days after the occurrence of the event, with the exception of the event described in number 17 below, which notice shall be given in a timely manner:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. 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 Series 2020 Bonds, or other material events affecting the tax status of the Series 2020 Bonds;

7. modifications to rights of the holders of the Series 2020 Bonds, if material;
8. bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Series 2020 Bonds, if material (sale of individual lots by developers or homeowners to end users shall not be material for purposes of this Disclosure Agreement);
11. ratings changes;
12. an Event of Bankruptcy or similar event of an Obligated Person;
13. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. incurrence of a financial obligation (as defined by the Rule) of the Issuer or an 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;
16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Issuer or an Obligated Person, any of which reflect financial difficulties;
17. notice of any failure on the part of the Issuer to meet the requirements of Section 3 hereof or of the Developer to meet the requirements of Section 5 hereof; and
18. the termination of the Issuer's or the Developer's obligations under this Disclosure Agreement prior to the final maturity of the Series 2020 Bonds, pursuant to Section 9 hereof.

(b) The notice required to be given in paragraph 7(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository.

8. Identifying Information. In accordance with the Rule, all disclosure filings submitted pursuant to this Disclosure Agreement to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but shall not be limited to:

- (a) the category of information being provided;
- (b) the period covered by any annual financial information, financial statement or other financial information or operation data;
- (c) the issues or specific securities to which such documents are related (including CUSIPs, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);
- (d) the name of any Obligated Person other than the Issuer;
- (e) the name and date of the document being submitted; and
- (f) contact information for the submitter.

9. Termination of Disclosure Agreement. The Issuer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2020 Bonds, so long as there is no remaining liability of the Issuer, or if the Rule is repealed or no longer in effect. The Developer's obligations shall terminate at such time as the Developer is no longer an Obligated Person. If any such termination occurs prior to the final maturity of the Series 2020 Bonds, the Issuer and/or the Developer shall give notice of such termination in the same manner as for a Listed Event under Section 7.

10. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent shall be PFM Group Consulting LLC. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement.

11. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the Issuer, the Developer and the Dissemination Agent (if the Dissemination Agent is not the Issuer) may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

- (a) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer and/or the Developer, or the type of business conducted;

(b) The undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Series 2020 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of the holders, as determined either (i) by parties unaffiliated with the Issuer (such as the trustee or Bond Counsel), or (ii) by the approving vote of bondholders pursuant to the terms of the Indenture at the time of the amendment.

Notwithstanding the foregoing, the Issuer, the Developer and the Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the SEC from time to time.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer and the Developer shall describe such amendment in its next Annual Report or Developer Report, as applicable, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer or the Developer, as applicable. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements of the Issuer, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 7(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Notwithstanding anything to the contrary herein requiring consent of the Developer, the Issuer may amend this Disclosure Agreement without the consent of the Developer with respect to any provision hereof that does not affect the Developer.

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

13. Default. In the event of a failure of the Issuer, the Developer, the Issuer Disclosure Representative or a Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Owners of more than 50% aggregate principal amount of outstanding Series 2020 Bonds and receipt of indemnity satisfactory to the Trustee, shall), or any Beneficial Owner of a Series 2020 Bond may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer, the Developer, the Issuer Disclosure Representative or a Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. No default hereunder shall be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer, the Developer, the Issuer Disclosure Representative or a Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

14. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement.

15. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Developer, the Dissemination Agent, the Trustee, the Participating Underwriter and Beneficial Owners of the Series 2020 Bonds, and shall create no rights in any other person or entity.

16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

17. Governing Law. This Disclosure Agreement shall be governed by the laws of the State and federal law.

18. Trustee Cooperation. The Issuer represents that the Dissemination Agent is a bona fide agent of the Issuer and directs the Trustee to deliver to the Dissemination Agent at the expense of the Issuer, any information or reports that are in the possession of and readily available to the Trustee that the Dissemination Agent requests that the Issuer has a right to request from the Trustee (inclusive of balances, payments, etc.).

[End of document – signatures to follow]

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

[SEAL]

**CHARLES COVE COMMUNITY  
DEVELOPMENT DISTRICT, AS ISSUER**

CONSENTED TO AND AGREED TO BY:

By: \_\_\_\_\_  
Chairman, Board of Supervisors

**PFM GROUP CONSULTING LLC**, and its  
successors and assigns, as Issuer Disclosure  
Representative

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**JOINED BY U.S. BANK NATIONAL  
ASSOCIATION, AS TRUSTEE, FOR PURPOSES  
OF SECTIONS 13, 15 AND 18 ONLY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Vice President

**D.R. HORTON, INC.**, a Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PFM GROUP CONSULTING LLC, AS  
DISSEMINATION AGENT**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**

**NOTICE TO REPOSITORIES  
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Charles Cove Community Development District

Name of Bond Issue: \$\_\_\_\_\_ Special Assessment Revenue Bonds, Series 2020  
(2020 Assessment Area)

Date of Issuance: April \_\_, 2020

Obligated Person: Charles Cove Community Development District  
D.R. Horton, Inc.

CUSIPS:

**NOTICE IS HEREBY GIVEN** that the [Issuer] [Developer] has not provided an [Annual Report] [Developer Report] with respect to the above-named Bonds as required by [Section 3] [Section 5] of the Continuing Disclosure Agreement dated April \_\_, 2020, among the Issuer, the Developer and the Dissemination Agent named therein. The [Issuer] [Developer] has advised the undersigned that it anticipates that the [Annual Report] [Developer Report] will be filed by \_\_\_\_\_, 20\_\_\_\_.

Dated: \_\_\_\_\_, \_\_\_\_\_, Dissemination Agent

cc: [Issuer] [Developer]

**Charles Cove  
Community Development District**

**District Financial Statements**

**Charles Cove CDD**  
**Statement of Activities**  
As of 3/31/2020

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>
<b><u>Revenues</u></b>			
Total Revenues	\$0.00	\$0.00	\$0.00
<b><u>Expenses</u></b>			
Public Officials' Liability Insurance	\$1,849.00		\$1,849.00
Management	8,333.32		8,333.32
District Counsel	13,867.32		13,867.32
Travel and Per Diem	169.00		169.00
Postage & Shipping	15.59		15.59
Legal Advertising	9,267.64		9,267.64
Meeting Room	225.00		225.00
General Liability Insurance	2,260.00		2,260.00
Contingency	328.99		328.99
District Counsel		\$9,625.95	9,625.95
Total Expenses	\$36,315.86	\$9,625.95	\$45,941.81
<b><u>Other Revenues (Expenses) &amp; Gains (Losses)</u></b>			
Total Other Revenues (Expenses) & Gains (Losses)	\$0.00	\$0.00	\$0.00
<b>Change In Net Assets</b>	(\$36,315.86)	(\$9,625.95)	(\$45,941.81)
<b>Net Assets At Beginning Of Year</b>	\$0.00	\$0.00	\$0.00
<b>Net Assets At End Of Year</b>	(\$36,315.86)	(\$9,625.95)	(\$45,941.81)

**Charles Cove CDD**  
Statement of Financial Position  
As of 3/31/2020

	General Fund	Capital Projects Fund	Total
<b><u>Assets</u></b>			
<b><u>Current Assets</u></b>			
Accounts Receivable - Due from Developer	\$25,000.00		\$25,000.00
Total Current Assets	\$25,000.00	\$0.00	\$25,000.00
<b>Total Assets</b>	<b>\$25,000.00</b>	<b>\$0.00</b>	<b>\$25,000.00</b>
<b><u>Liabilities and Net Assets</u></b>			
<b><u>Current Liabilities</u></b>			
Accounts Payable	\$36,315.86		\$36,315.86
Deferred Revenue	25,000.00		25,000.00
Accounts Payable		\$9,625.95	9,625.95
Total Current Liabilities	\$61,315.86	\$9,625.95	\$70,941.81
<b>Total Liabilities</b>	<b>\$61,315.86</b>	<b>\$9,625.95</b>	<b>\$70,941.81</b>
<b><u>Net Assets</u></b>			
Current Year Net Assets - General Government	(36,315.86)		0.00 (36,315.86)
Current Year Net Assets, Unrestricted		(9,625.95)	0.00 (9,625.95)
<b>Total Net Assets</b>	<b>(\$36,315.86)</b>	<b>(\$9,625.95)</b>	<b>(\$45,941.81)</b>
<b>Total Liabilities and Net Assets</b>	<b>\$25,000.00</b>	<b>\$0.00</b>	<b>\$25,000.00</b>

**Charles Cove CDD**  
**Budget to Actual**  
**For the Month Ending 3/31/2020**

	Year To Date			FY 2020 Adopted Budget
	Actual	Budget	Variance	
<b><u>Revenues</u></b>				
Developer Contributions	\$ -	\$ 132,902.52	\$ (132,902.52)	\$ 265,805.00
<b>Net Revenues</b>	<b>\$ -</b>	<b>\$ 132,902.52</b>	<b>\$ (132,902.52)</b>	<b>\$ 265,805.00</b>
<b><u>General &amp; Administrative Expenses</u></b>				
Public Officials' Liability Insurance	\$ 1,849.00	\$ 1,125.00	\$ 724.00	\$ 2,250.00
Management	8,333.32	12,499.98	(4,166.66)	25,000.00
Engineering	-	4,999.98	(4,999.98)	10,000.00
Dissemination Agent	-	2,500.02	(2,500.02)	5,000.00
District Counsel	13,867.32	7,500.00	6,367.32	15,000.00
Assessment Administration	-	3,750.00	(3,750.00)	7,500.00
Reamortization Schedules	-	124.98	(124.98)	250.00
Audit	-	2,500.02	(2,500.02)	5,000.00
Travel and Per Diem	169.00	1,249.98	(1,080.98)	2,500.00
Telephone	-	49.98	(49.98)	100.00
Postage & Shipping	15.59	499.98	(484.39)	1,000.00
Copies	-	250.02	(250.02)	500.00
Legal Advertising	9,267.64	2,500.02	6,767.62	5,000.00
Bank Fees	-	124.98	(124.98)	250.00
Miscellaneous	328.99	500.10	(171.11)	1,000.00
Meeting Room	225.00	900.00	(675.00)	1,800.00
Web Site Maintenance	-	2,850.00	(2,850.00)	5,700.00
Dues, Licenses, and Fees	-	87.48	(87.48)	175.00
General Liability Insurance	2,260.00	1,350.00	910.00	2,700.00
Hurricane Cleanup	-	4,999.98	(4,999.98)	10,000.00
<b>Total General &amp; Administrative Expenses</b>	<b>\$ 36,315.86</b>	<b>\$ 50,362.50</b>	<b>\$ (14,046.64)</b>	<b>\$ 100,725.00</b>
<b><u>Field Expenses</u></b>				
Amenity - Miscellaneous	\$ -	\$ 499.98	\$ (499.98)	\$ 1,000.00
Amenity - Security	-	1,249.98	(1,249.98)	2,500.00
Amenity - Landscape Maintenance	-	4,000.02	(4,000.02)	8,000.00
Amenity - Pool Maintenance	-	3,600.00	(3,600.00)	7,200.00
Amenity - Access Control	-	499.98	(499.98)	1,000.00
Amenity - Janitorial	-	7,000.02	(7,000.02)	14,000.00
Amenity - Pest Control	-	439.98	(439.98)	880.00
Amenity - R&M Grounds	-	250.02	(250.02)	500.00
Property & Casualty Insurance	-	2,500.02	(2,500.02)	5,000.00
Irrigation	-	4,999.98	(4,999.98)	10,000.00
Lake Maintenance	-	7,500.00	(7,500.00)	15,000.00
Landscaping Maintenance & Material	-	25,000.02	(25,000.02)	50,000.00
Landscape Improvements	-	10,000.02	(10,000.02)	20,000.00
Signage & Amenities Repair	-	4,999.98	(4,999.98)	10,000.00
Streetlights	-	10,000.02	(10,000.02)	20,000.00
<b>Total Field Expenses</b>	<b>\$ -</b>	<b>\$ 82,540.02</b>	<b>\$ (82,540.02)</b>	<b>\$ 165,080.00</b>
<b>Total Expenses</b>	<b>\$ 36,315.86</b>	<b>\$ 132,902.52</b>	<b>\$ (96,586.66)</b>	<b>\$ 265,805.00</b>
<b>Net Income (Loss)</b>	<b>\$ (36,315.86)</b>	<b>\$ -</b>	<b>\$ (36,315.86)</b>	<b>\$ -</b>