

*In the opinion of Bond Counsel, under existing statutes, regulations, court decisions and rulings, and assuming continuing compliance with certain tax covenants, interest on the 2007 Bonds (hereinafter defined) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Such interest, however, will be includable in the calculation of certain corporations' alternative minimum taxable income. See "TAX MATTERS" herein regarding certain other tax considerations. Bond Counsel is further of the opinion that the 2007 Bonds and interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in Chapter 220. For a more complete discussion of tax aspects relating to the 2007 Bonds, see "TAX MATTERS" herein.*

## AMELIA CONCOURSE COMMUNITY DEVELOPMENT DISTRICT

(Nassau County, Florida)

\$7,350,000

### Capital Improvement Revenue Bonds, Series 2007

**Dated: Date of Delivery**

**Due: May 1, as shown below**

The \$7,350,000 Capital Improvement Revenue Bonds, Series 2007 (the "2007 Bonds") are being issued by the Amelia Concourse Community Development District (the "District") pursuant to a Master Trust Indenture dated as of June 1, 2007 from the District to U.S. Bank National Association, Jacksonville, Florida, as trustee (the "Trustee") (the "Master Trust Indenture"), as supplemented by a First Supplemental Trust Indenture dated as of June 1, 2007, from the District to the Trustee (the "Supplemental Indenture" and together with the Master Trust Indenture, the "Indenture"). The Series 2007 Bonds are being issued only in fully registered form, in denominations of \$5,000, provided, however, that the 2007 Bonds shall be delivered to the initial purchasers thereof only in denominations 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, any successor statute thereto, the Florida Constitution, and other applicable provisions of law (collectively, the "Act") and Ordinance No. 2006-58 adopted by the Board of County Commissioners of Nassau County, Florida, on July 10, 2006. The Series 2007 Bonds are payable from and secured by the 2007 Trust Estate, which includes the 2007 Pledged Revenues. The 2007 Pledged Revenues consist primarily of the revenues derived by the District from non ad-valorem special assessments levied against certain lands within the District which comprise an approximately 200 acre residential development in Nassau County, Florida, that are subject to assessment as a result of the 2007 Project or any portion thereof. See "SECURITY FOR AND SOURCE OF PAYMENT OF 2007 BONDS."

The 2007 Bonds, when and if 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. Purchase of beneficial interests in the 2007 Bonds will be made in book-entry only form. Accordingly, principal of and interest on the 2007 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 2007 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 2007 Bond. See "THE 2007 BONDS - Book-Entry Only System" herein. The 2007 Bonds will bear interest at the fixed rates set forth herein, calculated on the basis of a 360-day year comprised of twelve thirty-day months. Interest on the 2007 Bonds is payable semi-annually on each May 1 and November 1, commencing November 1, 2007.

The 2007 Bonds are subject to mandatory and extraordinary mandatory redemption at the times, in the amounts and at the redemption prices as more fully described herein.

The 2007 Bonds are being issued to: (i) finance the cost of acquiring assessable improvements comprising a part of the District's Capital Improvement Plan (as more particularly described herein, the "2007 Project"); (ii) pay certain costs associated with the issuance of the 2007 Bonds; (iii) make a deposit into the 2007 Reserve Account for the benefit of the 2007 Bonds; and (iv) pay a portion of the interest to become due on the 2007 Bonds.

THE 2007 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE 2007 TRUST ESTATE (AS DESCRIBED HEREIN) PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, NASSAU COUNTY, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE 2007 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, ASSESSMENTS (AS DEFINED HEREIN) TO SECURE AND PAY THE 2007 BONDS. THE 2007 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, NASSAU COUNTY, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

THE 2007 BONDS INVOLVE A DEGREE OF RISK (SEE "BONDOWNERS' RISKS" HEREIN) AND ARE NOT SUITABLE FOR ALL INVESTORS (SEE "SUITABILITY FOR INVESTMENT" HEREIN). THE UNDERWRITER IS LIMITING THIS OFFERING TO ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. THE 2007 BONDS ARE NOT CREDIT ENHANCED OR RATED AND NO APPLICATION HAS BEEN MADE FOR A RATING WITH RESPECT TO THE 2007 BONDS.

This cover page contains information for quick reference only. It is not a summary of the 2007 Bonds. Investors must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

#### AMOUNT, MATURITY, INTEREST RATE, PRICE AND CUSIP

**\$7,350,000 5.750% 2007 Term Bond due May 1, 2038 Price 100% CUSIP 023440AA8\***

The 2007 Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice and the receipt of the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, as to the validity of the 2007 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 and by Akerman Senterfitt, Jacksonville, Florida, Underwriter's Counsel. In addition, certain other legal matters will be passed upon on behalf of Amelia Concourse Development LLC by Alan B. Almand, P.A., Jacksonville, Florida. It is expected that the 2007 Bonds will be available for delivery through The Depository Trust Company in New York, New York on or about July 26, 2007.

## Banc of America Securities LLC

Dated: July 13, 2007

\*The District is not responsible for the use of the CUSIP number, nor is any representation being made about the correctness of that number. The CUSIP number is included solely for the convenience of the readers.

**AMELIA CONCOURSE COMMUNITY DEVELOPMENT DISTRICT  
BOARD OF SUPERVISORS**

Gregory E. Matovina, Chairman  
Sean Junker, Vice Chairman  
Michael H. Fox, Assistant Secretary  
William B. Towers, III, Assistant Secretary  
Elizabeth F. Towers, Assistant Secretary

**DISTRICT MANAGER**

Governmental Management Services, LLC  
Jacksonville, Florida

**DISTRICT COUNSEL**

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

**BOND COUNSEL**

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

**METHODOLOGY CONSULTANT TO THE DISTRICT**

Governmental Management Services, LLC  
Jacksonville, Florida

**DISTRICT ENGINEER**

McCranie & Associates, Inc.  
Yulee, Florida

**UNDERWRITER'S COUNSEL**

Akerman Senterfitt  
Jacksonville, Florida

## **REGARDING USE OF THIS LIMITED OFFERING MEMORANDUM**

No dealer, broker, salesman or other person has been authorized by the District, the State of Florida or the Underwriter to give any information or to make any representations other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2007 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 Engineer, the District Manager, the Developer, and other sources that are believed by the Underwriter to be reliable. The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with and, as part of its responsibilities to investors, under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guaranty the accuracy or completeness of such information. The District, the Developer, the District Engineer and the Financial Consultant will all, at closing, deliver certificates certifying that certain of the information each supplied does not contain any untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change with respect to the matters described herein since the date hereof.

THE UNDERWRITER IS LIMITING THIS OFFERING TO ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2007 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 2007 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 2007 BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF ANY JURISDICTIONS WHEREIN THESE SECURITIES HAVE BEEN OR WILL BE REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THE DISTRICT, NASSAU COUNTY, FLORIDA, THE STATE OF FLORIDA NOR ANY OF ITS SUBDIVISIONS OR AGENCIES HAVE GUARANTEED OR PASSED UPON THE MERITS OF THE 2007 BONDS, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE "FORWARD LOOKING STATEMENTS." SUCH STATEMENTS GENERALLY ARE IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET" OR OTHER SIMILAR WORDS. SUCH FORWARD LOOKING STATEMENTS INCLUDE BUT ARE NOT LIMITED TO CERTAIN STATEMENTS CONTAINED IN THE INFORMATION UNDER THE CAPTIONS "ESTIMATED SOURCES AND USES OF BOND PROCEEDS," AND "THE DEVELOPMENT" IN THIS LIMITED

OFFERING MEMORANDUM. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT 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. NEITHER THE DEVELOPER NOR THE DISTRICT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, SUBJECT TO ANY CONTRACTUAL OR LEGAL RESPONSIBILITIES TO THE CONTRARY.

## TABLE OF CONTENTS

	Page
INTRODUCTION .....	1
SUITABILITY FOR INVESTMENT .....	3
THE DISTRICT .....	4
General .....	4
Legal Powers and Authority .....	4
Board of Supervisors.....	5
District Manager and Other Consultants.....	6
THE 2007 BONDS .....	7
General Description .....	7
Redemption Provisions .....	7
Notice of Redemption .....	10
Effect of Acceleration .....	10
Book-Entry Only System.....	11
SECURITY FOR AND SOURCE OF PAYMENT OF 2007 BONDS .....	13
General .....	13
No Parity Bonds.....	13
Funds and Accounts.....	14
2007 Reserve Account Requirement .....	14
Flow of Funds .....	15
THE 2007 ASSESSMENTS .....	16
General .....	16
Methodology.....	17
Enforcement and Collection of 2007 Assessments.....	17
Sale of Tax Certificates.....	19
Collection of Special Assessments by the District.....	20
Overlapping Assessments .....	21
Prepayment .....	21
Re-Assessment.....	22
Adjustments to the 2007 Assessments.....	22
Structure of 2007 Assessments .....	22
ESTIMATED SOURCES AND USES OF BOND PROCEEDS .....	23
DEBT SERVICE REQUIREMENTS.....	24
THE 2007 PROJECT .....	25
Overview .....	25
THE DEVELOPMENT .....	26
General .....	26
Development Approvals .....	26
Development Plan.....	27
Product Description .....	27
Estimated Absorption of Single Family Homes .....	27
Builder Contracts .....	27
Marketing.....	28
Property Taxes, Other Special Assessments and Association Fees .....	28
Utilities .....	29
Public Schools.....	29
Competition .....	29
Recreational and Lifestyle Amenities Provided by the District.....	30

Development Finance Plan .....	30
THE LANDOWNER AND THE DEVELOPER .....	30
The Landowner and the Developer .....	30
BONDOWNERS' RISKS .....	33
TAX MATTERS .....	36
Opinion of Bond Counsel .....	36
Internal Revenue Code of 1986 .....	36
Collateral Tax Consequences .....	36
Florida Taxes .....	37
Other Tax Matters .....	37
DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS .....	37
VALIDATION .....	37
LITIGATION .....	38
CONTINUING DISCLOSURE .....	38
UNDERWRITING .....	39
LEGAL MATTERS .....	39
AGREEMENT BY THE STATE .....	40
NO FINANCIAL STATEMENTS .....	40
EXPERTS AND CONSULTANTS .....	40
CONTINGENT AND OTHER FEES .....	40
NO RATINGS OR CREDIT ENHANCEMENT .....	41
DISCLOSURE OF MULTIPLE ROLES .....	41
MISCELLANEOUS .....	41

APPENDICES:

Appendix A - Engineer's Report	A-1
Appendix B - Assessment Methodology Report	B-1
Appendix C - Form of Master Trust Indenture and First Supplemental Trust Indenture	C-1
Appendix D - Form of Opinion of Bond Counsel	D-1
Appendix E - Form of Continuing Disclosure Agreement	E-1

## LIMITED OFFERING MEMORANDUM

*relating to*

### AMELIA CONCOURSE COMMUNITY DEVELOPMENT DISTRICT (Nassau County, Florida)

**\$7,350,000**

**Capital Improvement Revenue Bonds,  
Series 2007**

### INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices hereto, is to set forth certain information concerning the AMELIA CONCOURSE COMMUNITY DEVELOPMENT DISTRICT (the “District” or the “Issuer”), in connection with the offering and issuance by the District of its \$7,350,000 Capital Improvement Revenue Bonds, Series 2007 (the “2007 Bonds”). The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, any successor or statute thereto, the Florida Constitution, and other applicable provisions of law (collectively, the “Act”) and Ordinance 2006-58 adopted by the Board of County Commissioners of Nassau County, Florida, on July 10, 2006. The District was established for the purpose, among other things, of delivering certain community development services and facilities as authorized by the Act, including planning, financing, constructing, acquiring, owning, operating and maintaining the 2007 Project as defined herein. The 2007 Bonds are being issued pursuant to the Act and a Master Trust Indenture, dated as of June 1, 2007 (the “Master Indenture”), from the District to U.S. Bank National Association, Miami, Florida, as trustee (the “Trustee”), as supplemented by a First Supplemental Trust Indenture, dated as of June 1, 2007 (the “Supplemental Indenture” and together with the Master Indenture, the “Indenture”) and Resolution No. 2007-13 adopted by the Board of Supervisors of the District on November 9, 2006, as supplemented by Resolution No. 2007-23 adopted on May 10, 2007, authorizing the issuance of the 2007 Bonds. The 2007 Bonds are a portion of Bonds to be secured under the Indenture which were validated by final judgment of the Nineteenth Judicial Circuit Court in and for Nassau County, Florida on April 30, 2007, the appeal period for which expired on May 30, 2007. 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 form of the Indenture which appears as Appendix C attached hereto.

THE 2007 BONDS ARE NOT RATED OR CREDIT ENHANCED, AND ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS (SEE “SUITABILITY FOR INVESTMENT” AND “BONDOWNERS’ RISKS” HEREIN). PROSPECTIVE INVESTORS IN THE 2007 BONDS ARE INVITED TO VISIT THE DISTRICT, ASK QUESTIONS OF REPRESENTATIVES OF THE DEVELOPER (AS HEREINAFTER DEFINED) AND TO REQUEST DOCUMENTS, INSTRUMENTS AND INFORMATION WHICH MAY NOT NECESSARILY BE REFERRED TO, SUMMARIZED OR DESCRIBED HEREIN. THEREFORE, PROSPECTIVE INVESTORS SHOULD RELY UPON THE INFORMATION APPEARING IN THIS LIMITED OFFERING MEMORANDUM WITHIN THE CONTEXT OF THE AVAILABILITY OF SUCH ADDITIONAL INFORMATION AND THE SOURCES THEREOF. PROSPECTIVE INVESTORS MAY REQUEST SUCH ADDITIONAL INFORMATION AND ARRANGE TO VISIT THE DISTRICT AS DESCRIBED HEREIN UNDER THE CAPTION “SUITABILITY FOR INVESTMENT” HEREIN.

Under the Constitution and laws of the State of Florida, including the Act, the District has the power and authority to levy non-ad valorem special assessments upon District Lands (as hereinafter defined) and to issue the 2007 Bonds for the purposes of providing community development services and facilities, including those comprising the 2007 Project.

Consistent with the requirements of the Act and the Indenture, the 2007 Bonds are being issued to finance: (i) the acquisition from the Developer of certain infrastructure and facilities benefiting District Lands, including a roads and transportation improvements, including off-site roadway improvements, stormwater management system, wetlands mitigation, wastewater collection system, potable water distribution system, common area irrigation, a recreation area, landscaping and common area improvements, all as more fully described in the Engineer's Report (the "Engineer's Report") attached hereto as Appendix A (the "2007 Project"); (ii) the interest on the 2007 Bonds through November 1, 2008; (iii) the funding of the 2007 Reserve Account; and (iv) the costs of issuance of the 2007 Bonds. "District Lands" means the premises governed by the District, consisting of approximately 200 acres of land located within the unincorporated area of Nassau County, Florida, as more fully described in such Engineer's Report. See "THE 2007 PROJECT" herein.

The 2007 Project will finance the acquisition of a portion of the public infrastructure for Amelia Concourse, a planned unit residential development in Nassau County, Florida, which is to be located on approximately 200 acres (the "Development"). The Development is south of A1A, which connects to U.S. 1 and Interstate 95, approximately 5 miles west of the City of Fernandina Beach in Northeast Florida. Access to the Development is via the Amelia Concourse Roadway, which runs from east to west along the northern boundary of the Development. Interstate 95 is approximately 6 miles west of the Development (see map attached to "Appendix A – Engineer's Report.")

The current landowner of the land within the Development is Amelia Concourse Development LLC, a Florida limited liability company (the "Landowner"). The Development is being developed by the Landowner as the developer (in such capacity, the "Developer.") See "THE LANDOWNER AND THE DEVELOPER" herein.

The Development is expected to include approximately 458 total single-family homes. Single family home prices for the Development are expected to range from approximately \$280,000 to \$380,000+. See "THE DEVELOPMENT" herein. To expedite development of the District Lands, the Developer has proceeded with the construction of the capital improvements necessary for community development within the District. Construction of substantially all of the infrastructure necessary to serve the initial phase of the Development is complete. The Developer and the District will enter into an acquisition agreement (the "Acquisition Agreement") dated the date of delivery of the 2007 Bonds pursuant to which the Developer will agree to sell, and the District will agree to acquire, such improvements subject to the terms and conditions of the Acquisition Agreement. Pursuant to the Acquisition Agreement, the District will be acquiring a portion of the completed infrastructure from the Developer for an amount equal to approximately \$6,000,000. Contemporaneously with the execution of the Acquisition Agreement, the Developer will enter into a completion agreement (the "Completion Agreement") with the District wherein the Developer will agree to fund any portion of the balance of the costs of the Capital Improvement Program not financed with the proceeds of the 2007 Bonds and other funds made available therefor under the Indenture. See "THE 2007 PROJECT" herein.

The 2007 Bonds are payable from and secured by the revenues derived by the District from the 2007 Assessments and amounts on deposit in the Funds and Accounts (except for the 2007 Rebate Account) established by the Supplemental Indenture. The term "2007 Assessments" is defined in the Supplemental Trust Indenture to mean the Assessments imposed, levied and collected by the District with respect to property specially benefited by the 2007 Project (the "2007 Assessments"), and shall not

include the assessments imposed, levied and collected by the District with respect to property within the District not so specially benefited. "Pledged Revenues" do not include (A) any moneys transferred to the Rebate Fund or investment earnings thereon and (B) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act.

The 2007 Assessments represent an allocation of the costs of the 2007 Project, including bond financing costs, to the lands within the District benefiting from the 2007 Project in accordance with the Assessment Methodology Report attached hereto as Appendix B, as may be amended after the final pricing of the 2007 Bonds (collectively, the "Assessment Report") prepared for the District by Governmental Management Services, LLC, Jacksonville, Florida. The Assessment Methodology Report attached hereto as Appendix B is anticipated to be finalized and approved by the District's Board of Supervisors prior to delivery of the 2007 Bonds. The aggregate principal amount of the 2007 Bonds and of the 2007 Assessments was determined by reference to the costs of the 2007 Project. The Assessment Proceedings do not require any prepayment of the 2007 Assessments prior to the due date therefore. However, the Assessment Proceedings do permit the prepayment in full of the 2007 Assessments at any time without penalty and payment of one partial pre-payment at any time.

The Indenture provides that the Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the 2007 Bonds and the District covenants not to create or permit to be created any lien, charge or claim against the 2007 Trust Estate.

There follows in this Limited Offering Memorandum a brief description of the District, the Development and the Developer, the 2007 Project, which represents a portion of the District's Capital Improvement Program that is to be acquired with the proceeds of the 2007 Bonds, together with summaries of the terms of the 2007 Bonds, the Indenture and certain provisions of the Act. All references herein to the Indenture and the Act are qualified in their entirety by reference to such documents and all references to the 2007 Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture, the form of which appears as Appendix C attached hereto. The information herein under the captions "THE LANDOWNER AND THE DEVELOPER" and "THE DEVELOPMENT" has been furnished by the Developer and has been included herein without independent investigation by the District, and the District makes 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 other party to the transactions contemplated hereby. The information provided under the caption "INTRODUCTION" is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed herein.

### **SUITABILITY FOR INVESTMENT**

While the 2007 Bonds are not subject to registration under the Securities Act of 1933, as amended (the "Securities Act"), the Underwriter has determined that the 2007 Bonds are not suitable for investment by persons other than accredited investors, and, as required by Chapter 189, Florida Statutes, will offer the 2007 Bonds only to "accredited investors" within the meaning of Chapter 517, Florida Statutes, and the rules promulgated thereunder. Prospective investors in the 2007 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 2007 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 2007 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. Additional information will be made available to each prospective investor, including the benefit of a site visit to the District, and the opportunity to ask questions of the Developer, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the 2007 Bonds. Prospective investors are encouraged to request such additional information, visit the District and ask such questions. Such requests should be directed to:

Banc of America Securities LLC  
250 S. Park Avenue  
Winter Park, FL 32789  
Tel: 407.646.3041

## **THE DISTRICT**

### **General**

The District was established by Ordinance No. 2006-58 enacted by the Board of County Commissioners of Nassau County, Florida, on July 10, 2006 (the “Ordinance”). The District consists of approximately 200 acres known as the “Amelia Concourse” a residential development within the unincorporated area of Nassau County, Florida. A site map showing the location of the District is included in the Engineer’s Report attached hereto as Appendix A (as Exhibit 1 thereto). See “THE LANDOWNER AND THE DEVELOPER” and “THE DEVELOPMENT” herein.

### **Legal Powers and Authority**

The District is an independent unit of local government created in accordance with the Act. The Act provides a uniform method for the establishment of independent districts to manage and finance basic community development services, including capital infrastructure required for community developments throughout the State of Florida. The Act provides legal authority for community development districts (such as the District) to finance the acquisition, construction, operation and maintenance of the major infrastructure for community development.

The Act provides that community development districts have the power to issue general obligation, revenue and special assessment revenue debt obligations in any combination to pay all or part of the cost of infrastructure improvements authorized under the Act. The Act further provides that community development districts have the power under certain conditions to levy and assess ad valorem assessments or non-ad valorem assessments, including the 2007 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 gives the Board of Supervisors of the District the right: (i) to hold, control, and acquire by donation, purchase, condemnation or dispose of any public easements, dedications to public use, platted reservations for public purposes or any reservations for those purposes authorized by the Act and to make use of such easements, dedications, or reservations for any of the purposes authorized by the Act; (ii) to finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain storm water management and control, water supply, sewer and wastewater management systems, or any combination thereof and to construct and operate connecting

intercepting or outlet sewers and sewer mains and pipes and water mains, conduits, or pipelines in, along, and under any street, alley, highway, or other public place or ways, and to dispose of any effluent, residue or other byproducts of such system, or sewer system; (iii) to borrow money and issue the bonds, certificates, warrants, or other evidence of the District; and (iv) to exercise all of the powers necessary, convenient, incidental or proper in connection with any of the powers, duties or purposes authorized by the Act.

The Act does not empower the District to adopt and enforce land use plans or zoning ordinances and the Act does not empower the District to grant building permits. These functions are collectively performed by Nassau County (the “County”) and its departments of government.

The Act exempts all property of the District from levy and sale by virtue of an execution and from judgment liens, but does not limit the right of any owner of bonds of the District to pursue any remedy for enforcement of any lien or pledge of the District in connection with such bonds, including the 2007 Bonds.

### **Board of Supervisors**

The Act provides for a five-member Board of Supervisors (the “Board”) to serve as a governing body of the District. Members of the Board of Supervisors must be residents of the State and citizens of the United States. Initially, the members are designated in the formative petition and appointed in the Ordinance. Within 90 days thereafter, the members are required to be elected on an at-large basis by the owners of property within the District. See “THE LANDOWNER AND THE DEVELOPER” herein. Ownership of land within the District initially entitles each landowner to cast one (1) vote per acre of land owned by such landowner and located within the District (with fractions thereof rounded upward to the nearest whole number) for each person to be elected. All members serve until expiration of their terms and until their successors are chosen and qualified. If, during the term of office, a vacancy occurs, the remaining members of the Board fill the vacancy by an appointment for the remainder of the unexpired term. After the sixth year after the initial appointment of members, and once there are 250 qualified electors within the District, the positions of two Board members whose terms are expiring are filled by qualified electors of the District, elected by the qualified electors of the District. A qualified elector is a registered voter in the County in which the District is located who is a resident of the District and the State and a citizen of the United States.

At the election where members are first elected by qualified electors, two members must be qualified electors and a third remaining member whose term is expiring will be elected by the landowners. Both Board members elected by the qualified electors shall serve a four year term, and the remaining Board member whose term is expiring shall be elected for a four year term by the landowner and is not required to be a qualified elector. Thereafter, as terms expire, all members must be qualified electors and will be elected by qualified electors and serve staggered terms. Notwithstanding any of the foregoing, if at any time the Board of Supervisors proposes to exercise its ad valorem taxing power, prior to the exercise of such power, it must call an election at which all members of the Board of Supervisors will be elected by and shall themselves be qualified electors of the District. Elections subsequent to such decision will be held in a manner such that the members will serve four year terms with staggered expiration dates in the manner set forth in the Act. The current members of the Board and their respective offices are set forth below.

**Supervisor**

Gregory E. Matovina\*  
 Sean Junker\*  
 Michael H. Fox\*  
 William B. Towers, III\*  
 Elizabeth F. Towers\*

**Office**

Chairman  
 Vice Chairman  
 Assistant Secretary  
 Assistant Secretary  
 Assistant Secretary

---

\* Employed by companies which are related to or affiliated with the Developer.

In addition to the foregoing, James A. Perry, an employee of the District Manager (as hereinafter defined), has been elected Treasurer and Assistant Secretary and David B. deNagy, also an employee of the District Manager, has been elected Secretary and Assistant Treasurer.

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

**District Manager and Other Consultants**

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

The District has hired Governmental Management Services, LLC, Jacksonville, Florida (the "District Manager") to serve as District Manager. The District Manager is actively involved in the management of more than 30 special districts throughout the State of Florida. The District Manager's office is located at 14785 Old St. Augustine Road, Suite 4, Jacksonville, Florida 32258 and its telephone number is (904) 288-9130.

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

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, as Bond Counsel; McCranie & Associates, Inc., Yulee, Florida, as District Engineer; Hopping Green & Sams, P.A., Tallahassee, Florida, as District Counsel; and Governmental Management Services, LLC, Jacksonville, Florida, as Financial Consultant to prepare the Assessment Methodology Report attached hereto as Appendix B.

## THE 2007 BONDS

### General Description

The 2007 Bonds are issuable as fully registered bonds, without coupons, in the minimum amount of \$5,000 and integral multiples of \$5,000 in excess of such minimum amount, provided, however, the 2007 Bonds will be deliverable to the initial purchasers only in denominations of \$100,000 or integral multiples of \$5,000 in excess of \$100,000.

The 2007 Bonds will be dated the date of delivery and will bear interest payable on each May 1 and November 1, commencing November 1, 2007 (each, an “Interest Payment Date”) and shall be computed on the basis of a 360-day year of twelve 30-day months. The 2007 Bonds will mature on May 1 of such years, in such amounts and at such rates as set forth on the cover hereof, subject to the right of prior redemption in accordance with their terms:

Interest on the 2007 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the 2007 Bonds shall be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to November 1, 2007, in which case from their dated date, or unless the date of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date.

The 2007 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 2007 Bonds and, so long as the Series 2007 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 of 2007 Bonds*

The 2007 Bonds may, at the option of the District, be called for redemption prior to maturity as a whole or in part on any date on or after May 1, 2017 (less than all of such 2007 Bonds to be selected by lot), at the Redemption Price (expressed as a percentage of principal amount to be redeemed) set forth in the following table plus accrued interest from the most recent Interest Payment Date to the redemption date:

<u>Redemption Periods</u>	Redemption Price
May 1, 2017 and thereafter	100%

*Mandatory Sinking Fund Redemption of 2007 Bonds*

The 2007 Bonds are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the 2007 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments (as defined in the Indenture) at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year (May 1)	Amortization <u>Installment</u>	Year (May 1)	Amortization <u>Installment</u>
2009	\$ 95,000	2024	\$225,000
2010	100,000	2025	235,000
2011	105,000	2026	250,000
2012	110,000	2027	265,000
2013	120,000	2028	280,000
2014	125,000	2029	300,000
2015	135,000	2030	315,000
2016	140,000	2031	335,000
2017	150,000	2032	355,000
2018	160,000	2033	375,000
2019	170,000	2034	395,000
2020	175,000	2035	420,000
2021	190,000	2036	445,000
2022	200,000	2037	470,000
2023	210,000	2038*	500,000

\*Maturity

As more particularly set forth in the Indenture, any 2007 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 2007 Bonds. Amortization Installments are also subject to recalculation, as provided in the Indenture, as the result of the redemption of 2007 Bonds so as to reamortize the remaining Outstanding principal balance of the 2007 Bonds as set forth in the Indenture.

If less than all of the 2007 Bonds shall be called for redemption, the particular 2007 Bonds or portions of 2007 Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

*Extraordinary Mandatory Redemption*

The 2007 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Interest Payment Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

(a) on or after the later of the Date of Completion of the 2007 Project or the Deferred Costs Date of Completion, by application of moneys transferred from the General Subaccount of the 2007 Acquisition and Construction Account in the Acquisition and Construction Fund established

under the Indenture to the 2007 Prepayment Subaccount of the 2007 Redemption Account in accordance with the terms of the Indenture; or

(b) from Prepayments of 2007 Assessments deposited into the 2007 Prepayment Subaccount of the 2007 Redemption Account; or

(c) from amounts transferred to the 2007 Prepayment Subaccount of the 2007 Redemption Account resulting from the reduction in the 2007 Reserve Account Requirement as provided in the Indenture, and, on the date on which the amount on deposit in the 2007 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the 2007 Bonds then Outstanding, including accrued interest thereon.

If less than all of the 2007 Bonds shall be called for redemption, the particular 2007 Bond or portions of the 2007 Bonds to be redeemed shall be selected by the Bond Registrar as provided in the Indenture.

*Redemption of 2007 Bonds from Excess Acquisition and Construction Account Proceeds*

Excess moneys on deposit in the 2007 Acquisition and Construction Fund which are to be deposited into a 2007 Prepayment Subaccount in the 2007 Redemption Account in accordance with the Indenture and not applied to pay the costs of the 2007 Project shall be applied by the Trustee pursuant to written instructions from an Authorized Officer to the Trustee accompanied by a certificate of such Authorized Officer: (i) setting forth the amounts and maturities of 2007 Bonds which are to be redeemed from the amount to be deposited into a 2007 Prepayment Subaccount; and (ii) containing cash flows which demonstrate that, after giving effect to such redemption of 2007 Bonds in the amounts and maturities set forth in clause (i) above, the 2007 Assessments to be received by the District in the current and each succeeding Bond Year will be sufficient to pay, when due, the principal, Maturity Amount and Amortization Installments of, and interest on, all 2007 Bonds. The Trustee shall be entitled to conclusively rely on such Authorized Officer certificate.

Except as described in the preceding paragraph, if less than all of the 2007 Bonds of any one maturity shall be called for redemption, the particular 2007 Bonds to be redeemed shall be selected by lot in such reasonable manner as the Registrar in its discretion may determine. The portion of any 2007 Bonds to be redeemed shall be in an Authorized Denomination and, in selecting the 2007 Bonds to be redeemed, the Bond Registrar shall treat each such 2007 Bond as representing that number of 2007 Bonds which is obtained by dividing the principal amount of such 2007 Bond by an Authorized Denomination (such amount being hereafter referred to as the "unit of principal amount").

If it is determined that one or more, but not all, of the units of principal amount represented by any such 2007 Bond is to be called for redemption, then upon notice of intention to redeem such unit or units of principal amount as provided below, the registered Owner of such 2007 Bond, upon surrender of such 2007 Bond to the Paying Agent for payment to such registered Owner of the redemption price of the unit or units of principal amount called for redemption, shall be entitled to receive a new 2007 Bond or Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such 2007 Bond. New 2007 Bonds representing the unredeemed balance of the principal amount shall be issued to the Owner thereof without any charge therefore. If the Owner of any 2007 Bond of a denomination greater than the unit of principal amount to be redeemed shall fail to present such 2007 Bond to the Paying Agent for payment in exchange as aforesaid, such 2007 Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption.

## **Notice of Redemption**

Notice of each redemption of 2007 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date to each registered Owner of 2007 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 2007 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 2007 Bonds or such portions thereof on such date, interest on such 2007 Bonds or such portions thereof so called for redemption shall cease to accrue, such 2007 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 2007 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as described above.

## **Effect of Acceleration**

Upon the happening and continuance of any Event of Default (as defined in the Indenture) other than a covenant default, the Trustee shall, upon written direction of the Owners of not less than fifty-one percent (51%) of the aggregate principal amount of the 2007 Bonds, by a notice in writing to the District, declare the aggregate principal amount of all of the 2007 Bonds then Outstanding (if not then due and payable) to be due and payable immediately and, upon such declaration, the same shall become and be immediately due and payable, anything contained in the 2007 Bonds or in the Master Indenture or in the Supplemental Indenture to the contrary notwithstanding; provided, however, that no such declaration of acceleration shall occur as the result of an Event of Default, except to the extent that the 2007 Assessments have been accelerated and are currently due and payable in accordance with applicable law; and provided further, however, that if at any time after the aggregate principal amount of the 2007 Bonds then Outstanding shall have been so declared to be due and payable, and before the entry of a final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Master Indenture or the Supplemental Indenture, moneys shall have accumulated in the related 2007 Revenue Account sufficient to pay the principal of all matured 2007 Bonds and all arrears of interest, if any, upon all 2007 Bonds then Outstanding (except the aggregate principal amount of any 2007 Bonds then Outstanding that is only due because of a declaration of acceleration, and except for the interest accrued on the 2007 Bonds since the last Interest Payment Date), and all amounts then payable by the District with respect to such 2007 Bonds shall have been paid or a sum sufficient to pay the same shall have been deposited with the Paying Agent, and every other default (other than a default in the payment of the aggregate principal amount of the 2007 Bonds then Outstanding that is due only because of a declaration of acceleration) shall have been remedied, then the Trustee or, if the Trustee is unable or unwilling to act, the Owners of not less than 51% of the aggregate principal amount of the 2007 Bonds then Outstanding not then due except by virtue of a declaration of acceleration, may, by written notice to the District, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

Only 2007 Assessments which are Delinquent Assessments can be accelerated. Thus, the District will accelerate the 2007 Bonds only to the extent that the corresponding 2007 Assessments have also been accelerated.

## **Book-Entry Only System**

The information in this section concerning The Depository Trust Company (“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 2007 Bonds. The 2007 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 2007 Bond certificate will be issued for each maturity of the 2007 Bonds, as set forth on the inside cover of this Official Statement, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest 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 2.2 million U.S. and non-U.S. equity issues, corporate and municipal 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, in turn, is owned by a number of Direct Participants of DTC and members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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”). The Direct Participants and the Indirect Participants are collectively referred to herein as the “DTC Participants.” DTC has Standard & Poor’s highest rating: AAA. The DTC rules applicable to its DTC Participants are on file with the Securities and Exchange Commission (the “SEC”). More information about DTC can be found at <http://www.dtcc.com> and [www.dtc.org](http://www.dtc.org).

Purchases of 2007 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2007 Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2007 Bond (each a “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 2007 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 the 2007 Bonds, except in the event that use of the book-entry system for the 2007 Bonds is discontinued.

To facilitate subsequent transfers, all 2007 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 the 2007 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 2007 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2007 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 2007 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2007 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of 2007 Bonds may wish to ascertain that the nominee holding the 2007 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 2007 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2007 Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2007 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the 2007 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 Paying Agent on a payment date in accordance with their respective holdings shown on DTC's records. Payments by DTC 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 DTC Participant and not of DTC nor its nominee, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the 2007 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 Paying Agent, 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 depository with respect to the 2007 Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, 2007 Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC upon compliance with any applicable DTC rules and procedures. In that event, 2007 Bond certificates will be printed and delivered.

The District, the Paying Agent and Registrar do not have any responsibility or obligation to the Direct Participants, Indirect Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant, (b) the payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal of and interest on the 2007 Bonds, (c) the delivery or timeliness of delivery by DTC or any Direct Participant or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Resolution to be given to Bondholders, or (d) any consent given or other action taken by DTC, or its nominee, Cede & Co., as Bondholders.

## **SECURITY FOR AND SOURCE OF PAYMENT OF 2007 BONDS**

### **General**

The 2007 Bonds are payable from and secured by all assessments levied and collected by or on behalf of the District pursuant to Section 190.022 of the Act as amended from time to time, together with the interest specified by resolution adopted by the Board, the interest specified in Chapter 170, Florida Statutes, as amended, if any such interest is collected by or on behalf of the Board, and any applicable penalties collected by or on behalf of the District, together with any and all amounts received by the District from the sale of tax certificates or otherwise from the collection of Delinquent Assessments, which are imposed, levied and collected by the District with respect to property specially benefited by the 2007 Project (the "2007 Assessments").

The 2007 Assessments represent an allocation of the costs of the 2007 Project, including bond financing costs, to the lands within the District benefiting from the 2007 Project in accordance with the Assessment Methodology Report prepared for the District by Governmental Management Services, LLC, Jacksonville, Florida, which report has been adopted by the District and is set forth herein as Appendix B.

The 2007 Bonds are additionally secured by amounts on deposit in the Funds and Accounts, other than the Rebate Fund, created pursuant to the Indenture (the "2007 Pledged Revenues" and together with the 2007 Assessments, the "2007 Trust Estate").

NEITHER THE 2007 BOND 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 2007 BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE 2007 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE 2007 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2007 ASSESSMENTS AND THE 2007 PLEDGED REVENUES PLEDGED TO THE 2007 BONDS, ALL AS PROVIDED IN THE INDENTURE.

### **No Parity Bonds**

Pursuant to the Indenture, the Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the 2007 Bonds. WHILE NO FUTURE BONDS

WILL BE PAYABLE FROM OR SECURED BY THE ASSESSMENTS PLEDGED AS SECURITY FOR THE 2007 BONDS, THE DISTRICT, THE COUNTY, THE SCHOOL BOARD OF NASSAU COUNTY, FLORIDA, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITH JURISDICTION OVER THE LANDS WITHIN THE DISTRICT MAY IN THE FUTURE IMPOSE, LEVY AND COLLECT ASSESSMENTS AND TAXES THE LIENS OF WHICH WILL BE CO-EQUAL WITH THE LIEN OF THE ASSESSMENTS. See “THE 2007 ASSESSMENTS – Overlapping Assessments” and “-Enforcement and Collection of the 2007 Assessments” herein.

In addition, although not currently anticipated to do so, the District may issue future Series of Bonds to finance other projects other than the Capital Improvement Program as currently contemplated. If this were to occur, it is anticipated that the District will finance these costs by issuing Bonds secured by, and payable from, non-ad valorem assessments levied against property within the District. On property as to which there exist liens in favor of separate Assessments which are the Pledged Revenues of more than one Series of Bonds, such liens are co-equal one with the other and are coequal with liens in favor of other state, county, city and school district taxes. Since the lien of the District Assessments is coequal with all other District Assessments and also coequal with other assessments and taxes, if the proceeds from the sale of tax certificates or from foreclosure are insufficient to fully discharge any tax liability, such proceeds would be disbursed in proportion to the relative amounts due to each taxing entity, thereby resulting in a similarly proportionate distribution of such proceeds for the benefit of the all of the Bonds of the District as to which such Assessments are pledged. The 2007 Bonds and any such future Series of Bonds are not, however, “parity bonds,” since they do not share co-equal lien status with the Funds and Accounts of the other, nor do they share co-equal Assessment lien status on any property within the District, except to the extent that the Assessments for two Series of Bonds are located on the same property. Accordingly, the covenant regarding additional parity bonds is inapplicable to such future Series of Bonds.

The proceeds from the sale of the 2007 Bonds will finance the 2007 Project which represents most of the costs of the District’s Capital Improvement Program. Since some of the District Lands have already been platted, the 2007 Bonds will initially be secured by assessments to be levied against such platted lots with the balance being secured by assessments which are to be levied on the un-platted land on an equal acreage basis as described in the Assessment Methodology Report attached hereto as Appendix B.

## **Funds and Accounts**

The Indenture establishes with the Trustee the following Funds and Accounts: within the Acquisition and Construction Fund, (1) an account designated as the “2007 Acquisition and Construction Account” and (2) an account designated as the “2007 Costs of Issuance Account;” within the Revenue Fund, an account designated as the “2007 Revenue Account;” within the Debt Service Fund, (1) an account designated as the “2007 Interest Account”, (2) an account designated as the “2007 Capitalized Interest Account”, (3) and account designated as the “2007 Principal Account” and an account designated as the “2007 Redemption Account”, and therein, (a) a “2007 Prepayment Subaccount”; within the Reserve Fund, an account designated as the “2007 Reserve Account.”

## **2007 Reserve Account Requirement**

The Supplemental Indenture requires that the District deposit from the proceeds of the 2007 Bonds into the Series 2007 Reserve Account on the date of issuance, an amount equal to the 2007 Reserve Account Requirement. The term “2007 Reserve Account Requirement” is defined to mean, (A) on the date of initial issuance of the 2007 Bonds, the lesser of: (i) Maximum Annual Debt Service Requirement for all Outstanding 2007 Bonds, (ii) 125% of the average annual debt service for all Outstanding 2007 Bonds or (iii) 10% of the proceeds of the 2007 Bonds calculated as of the date of

original issuance thereof, and (B) at anytime after the date of initial issuance, shall mean the 2007 Reserve Account Percentage times the Deemed Outstanding principal amount of the 2007 Bonds, as of the time of any such calculation. The “2007 Reserve Account Percentage” is defined in the Indenture to mean, the result of dividing (x) the 2007 Reserve Account Requirement on the date of initial issuance and delivery of the 2007 Bonds (\$516,437.50), by (y) the initial Outstanding aggregate principal amount of the 2007 Bonds, which equals 7.0264%.

Amounts on deposit in the 2007 Reserve Account shall be used only for the purpose of making payments into the 2007 Interest Account and the 2007 Sinking Fund Account to pay Debt Service on the 2007 Bonds, when due, to the extent the moneys on deposit in such Accounts therein and available therefor are insufficient and for no other purpose, except as provided below. Such Accounts shall consist only of cash and 2007 Investment Obligations as defined in the Indenture.

Anything in the Indenture to the contrary notwithstanding, on the forty-fifth (45<sup>th</sup>) day preceding each Redemption Date (or if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the Business Day next preceding such day), the Trustee is authorized and directed to recalculate the 2007 Reserve Account Requirement and to transfer any resulting excess on deposit in the 2007 Reserve Account (except for excesses resulting from investment earnings therein) into the 2007 Prepayment Subaccount in the 2007 Redemption Account to be used for the Extraordinary Mandatory Redemption of 2007 Bonds as provided for in the Indenture.

On the earliest date on which there is on deposit in the 2007 Reserve Account, sufficient monies, taking into account other monies available therefor, to pay and redeem all of the Outstanding 2007 Bonds, together with accrued interest and redemption premium, if any, on such 2007 Bonds to the earliest date of redemption permitted under the Indenture, then the Trustee shall transfer the amount on deposit in the 2007 Reserve Account into the 2007 Prepayment Subaccount in the 2007 Redemption Account to pay and redeem all of the Outstanding 2007 Bonds on the earliest date permitted under the Indenture.

### **Flow of Funds**

The Supplemental Indenture provides that the Trustee shall transfer from amounts on deposit in the Series 2007 Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

(i) 2007 Assessment Principal, which shall be deposited into the 2007 Sinking Fund Account;

(ii) 2007 Prepayment Principal, which shall be deposited into the 2007 Prepayment Subaccount in the Redemption Account;

(iii) 2007 Delinquent Assessment Principal, which shall first be applied to restore the amount of any withdrawal from the 2007 Reserve Account to pay the principal of 2007 Bonds, and, the balance, if any, shall be deposited into the 2007 Sinking Fund Account;

(iv) 2007 Delinquent Assessment Interest, which shall first be applied to restore the amount of any withdrawal from the 2007 Reserve Account to pay the interest on 2007 Bonds, and, the balance, if any, deposited into the 2007 Revenue Account; and

(v) all other 2007 Assessment Revenues, which shall be deposited into the 2007 Revenue Account.

On each May 1 or November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall first transfer from the 2007 Capitalized Interest Account to the 2007 Interest Account the lesser of (x) the amount of interest coming due on the 2007 Bonds on such May 1 or November 1, less the amount already on deposit therein, or (y) the amount remaining in the 2007 Capitalized Interest Account. Following the foregoing transfers, on such May 1 or November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall then transfer amounts on deposit in the 2007 Revenue Account to the Funds and Accounts designated below in the following amounts and in the following order of priority:

FIRST, from the 2007 Revenue Account to the 2007 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all 2007 Bonds then Outstanding on such May 1 or November 1, less any amount transferred from the 2007 Capitalized Interest Account in accordance with the Indenture and less any other amount already on deposit in the 2007 Interest Account not previously credited;

SECOND, to the 2007 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all 2007 Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the 2007 Sinking Fund Account not previously credited;

THIRD, to the 2007 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the 2007 Reserve Account Requirement with respect to the 2007 Bonds; and

FOURTH, the balance shall be retained in the 2007 Revenue Account.

On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction, and the Trustee shall, transfer from the 2007 Revenue Account to the Rebate Account established for the 2007 Bonds in the Rebate Fund in accordance with the Master Indenture, the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Tax Regulatory Covenants.

On or after each November 2, the balance on deposit in the 2007 Revenue Account shall until the Deferred Cost Date of Completion be transferred into the Deferred Costs Subaccount in the 2007 Acquisition and Construction Account and, after the Deferred Costs Date of Completion shall be paid over to the District at the written direction of an Authorized Officer of the District and used for any lawful purpose of the District; provided, however, that on the date of such proposed transfer the amount on deposit in the 2007 Reserve Account in the 2007 Debt Service Reserve Fund shall be equal to the 2007 Reserve Requirement, and provided further, that the Trustee shall not have actual knowledge of an Event of Default under the Indenture relating to the 2007 Bonds, including the payment of Trustee's fees and expenses then due.

## **THE 2007 ASSESSMENTS**

### **General**

The information appearing below under the caption "Methodology" has been provided by Governmental Management Services, LLC, Jacksonville, Florida, in its capacity as Financial Consultant. Such information is included herein in reliance upon the expertise of such firm and, although believed by the Underwriter to be reliable, has not been independently verified by the Underwriter or its counsel. No

person other than the Financial Consultant makes any representation or warranty as to the accuracy or completeness of such information.

Chapter 170, Florida Statutes provides that payment of the Series 2007 Assessments is secured by a lien on the real property in the District co-equal with all State, County, school district and municipal taxes, superior in dignity to all other liens, titles and claims on such real property. ALTHOUGH THE LIEN AND THE PROCEEDS OF THE ASSESSMENTS WILL SECURE THE SERIES 2007 BONDS, AND SAID LIEN AND PROCEEDS OF THE ASSESSMENTS ARE PLEDGED EXCLUSIVELY TO SAID BONDS, THE LIEN OF THE ASSESSMENTS MAY BE ON THE SAME PROPERTY AS, AND THEREFOR OVERLAP AND BE CO-EQUAL WITH, THE LIENS IN FAVOR OF OTHER ASSESSMENTS WHICH HAVE BEEN OR MAY BE IMPOSED BY THE DISTRICT, THE COUNTY OR OTHER UNITS OF LOCAL GOVERNMENT HAVING ASSESSMENT POWERS WITHIN THE DISTRICT. See “THE DEVELOPMENT – Property Taxes, Other Special Assessments and Association Fees” herein.

### **Methodology**

The allocation of benefits and costs to benefited parcels within the District is presented in the Assessment Methodology Report as may be further amended which is attached hereto (collectively, the “Assessment Report”) as Appendix B.

### **Enforcement and Collection of 2007 Assessments**

The primary sources of payment for the Bonds are the 2007 Special Assessments levied by the District on land benefited specifically and peculiarly by the 2007 Project or any portion thereof pursuant to Section 190.022, Florida Statutes, as amended and the Assessment Proceedings of the District, as amended and supplemented from time to time. The 2007 Special Assessments are a type of non-ad valorem assessments which are imposed against the lands within the District subject thereto upon the basis of a special and peculiar benefit to such lands determined to result from the implementation of the 2007 Project. Such 2007 Special Assessments can become a lien against land (including homestead property) as permitted in Section 4 Article X of the Florida State Constitution. To the extent that landowners fail to pay such 2007 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 Bonds. The Act provides for various methods of collection of delinquent special assessments by reference to other provisions of the Florida Statutes. The following is a description of certain statutory provisions of assessment, payment, collection and enforcement procedures appearing in the Florida Statutes, but is qualified in its entirety by reference to such statutes and applicable rules.

The determination, order, levy, collection and enforcement of special assessments must be done in compliance with procedural requirements and guidelines provided by Florida law. Failure by the District, the Nassau County Tax Collector (the “Tax Collector”) or the Nassau County Property Appraiser (the “Property Appraiser”) to comply with such requirements could result in delays in the collection of, or the complete inability to collect, 2007 Special Assessments during any year. Such delays in the collection of, or complete inability to collect, 2007 Special Assessments would have a material adverse effect on the ability of the District to make full or punctual payment of debt service on the 2007 Bonds.

The District has covenanted that it will use its best effort to collect 2007 Special Assessments levied on platted lots pursuant to the uniform method for the levy, collection and enforcement of Special Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida

Statutes (the “Uniform Method”) and the District has adopted a resolution providing for the election to use the Uniform Method of collection as to such Special Assessments. In order to utilize the Uniform Method the District must enter into an agreement with the Tax Collector and the Property Appraiser; the District has covenanted to use its best efforts to enter into such an agreement (or separate agreements) and to ensure that such agreement remains in place during the term of the 2007 Bonds. 2007 Special Assessments levied on unplatted parcels shall be collected by the District, and not pursuant to the Uniform Method, unless the District determines that collection pursuant to the Uniform Method is in the best interests of the District.

Under the Uniform Method of collecting non-ad valorem assessments the Property Appraiser will list on the collection roll for each of the relevant tax years the 2007 Special Assessments encumbering the benefited lots and will include on the tax notice issued pursuant to Section 197.3635, Florida Statutes, the dollar amount of such Special Assessments. Special Assessments collected pursuant to the Uniform Method 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. Special Assessments collected pursuant to the Uniform Method become delinquent on April 1 following the year in which they are assessed or immediately after 60 days have expired from the mailing of the original tax notice, whichever is later.

Special Assessments are a lien on the land against which they are assessed until paid or barred by operation of law. Pursuant to Florida Statutes, the lien of the Special Assessments is of equal dignity with the liens for county, district, municipal taxes and other non-ad valorem special assessments and thus under Florida law is a first lien, superior to all other liens, including mortgages (except liens for county, district and municipal and other taxes which are of equal dignity). The Tax Collector is to bill the 2007 Special Assessments on platted lots together with all applicable local government ad valorem taxes and non-ad valorem special assessments, and landowners in the District are required to pay all such taxes and assessments without preference in payment of any particular increment of the tax bill, such as the increment owing of the 2007 Special Assessments. Upon receipt by the District from the Tax Collector of the 2007 Special Assessments, moneys therefrom will be deposited as provided in the Indenture. See “SECURITY FOR AND SOURCE OF PAYMENT OF 2007 BONDS – Flow of Funds” herein and Appendix C hereto.

All county, municipal, school and special district taxes, special assessments and voter-approved ad valorem taxes levied to pay principal of and interest on bonds, collected pursuant to the Uniform Method, including the 2007 Special Assessments, are payable at one time. If a taxpayer does not make complete payment, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. In such cases, the Tax Collector does not accept such partial payment and the partial payment is returned to the taxpayer. Therefore, any failure to pay any one line item, whether it be the 2007 Special Assessments or otherwise, would cause the 2007 Special Assessments to not be collected in such year to that extent, which could have a significant adverse effect on the ability of the District to make full or punctual payment of debt service on the 2007 Bonds.

If special assessments or taxes collected pursuant to the Uniform Method are paid during November or during the following three months, the taxpayer is granted a variable discount equal to four percent (4%) if paid in November and decreasing one percentage point per month to one percent (1%) in February. All unpaid special assessments and taxes including the 2007 Special Assessments collected pursuant to the Uniform Method become delinquent on April 1 of the year following assessment, and the Tax Collector is required to collect taxes and special assessments prior to April 1

and after that date to institute statutory procedures upon delinquency to collect such delinquent assessed taxes and special assessments. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process.

### **Sale of Tax Certificates**

The 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 the payment of the 2007 Special Assessments due. The demand for such certificates is in turn dependent upon various factors, which includes the interest that can be earned by ownership of such certificates and the 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 value of the benefited land within the District may affect the demand for such certificates and the successful collection of the 2007 Special Assessments to be collected pursuant to the Uniform Method. See “BOND OWNERS’ RISKS” herein.

In the event of a delinquency in the payment of taxes and special assessments on real property to be collected pursuant to the Uniform Method, the Tax Collector is required to attempt to sell tax certificates on such property to the person who pays the delinquent taxes and special assessments and interest and certain costs and charges relating thereto, and who accepts the lowest interest rate per annum to be borne by the certificates (bid down from a statutory starting point and maximum of 18%). Delinquent taxes and special assessments may be paid by any person prior to the date of sale of a tax certificate by the payment of such taxes and special assessments, together with interest and all costs and charges, and omitted taxes, if any, relating thereto. Tax certificates are sold by public bid. If there are no bidders at the public sale of tax certificates, the certificate is issued to the county in which the assessed lands are located, at the maximum rate of interest allowed (currently 18%). The Tax Collector does not collect any money if tax certificates are issued to the county. Proceeds from the sale of tax certificates are required to be used to pay taxes and special assessments (including 2007 Special Assessments ), interest, and costs and charges on the real property described in the certificate.

County-held certificates may be purchased and any tax certificate may be redeemed, in whole or in part, by any person at any time before a tax deed is issued or the property is placed on the list of lands available for sale, at a price equal to the face amount of the certificate or portion thereof together with all interest (at a rate not less than 5% unless the certificate bore interest at zero percent), costs, charges, and omitted taxes due. The proceeds of such a redemption are paid to the Tax Collector who transmits to the holder of the certificate such proceeds less service charges, and if the certificate has been redeemed in full the certificate is canceled. 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 certificate holder is required to pay 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, applicable fees of the Tax Collector, and current taxes, if due. If the county holds a tax certificate on property valued at \$5,000 or more and has not succeeded in selling it, the county must

apply for a tax deed two years after April 1 of the year of issuance. 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, 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, redemption of other tax certificates on the land, and the amount paid by such holder in applying for the tax deed, plus interest thereon at the rate of 1.5% per month for the period running from the month after the date of the application for the tax deed through the month of sale and costs for the service of statutory notice. In the case of homestead property, the bid is also deemed to include an amount equal to one-half of the latest assessed value of the homestead. If there are no higher bids, the certificate holder receives title to the land and the amounts paid for the certificate and in applying for a tax deed are credited towards the purchase price. If there are other bids, the holder may enter 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 any and all subsequent unpaid, and all other amounts paid by such person in applying for a tax deed including interest at a statutorily prescribed rate, 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), lienholders of record, mortgagees of record, vendees of recorded contracts for deeds, and other lienholders and any other persons to whom the land was last assessed on the tax roll for the year in which the land was assessed, all as their interest may appear.

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

If there are no bidders at the public sale, the county may, at any time within 90 days from the date of offering for public sale, purchase the land without further notice or advertising for a statutorily prescribed opening bid. After 90 days have passed, any person, the County or governmental unit may purchase the land by paying the amount of the opening bid. Three years from the date of offering for public sale, unsold lands escheat to the county in which they are located and all tax certificates and liens against the property are canceled and a deed is executed vesting title in the county commission.

### **Collection of Special Assessments by the District**

In regard to the 2007 Special Assessments on any unplatted lots, the District may collect such Special Assessments directly and to the extent such Special Assessments are collected by the District rather than pursuant to the Uniform Method, the District will bill the landowners on a semi-annual basis for amounts due in regard to such Special Assessments. In regard to the Special Assessments collected directly by the District rather than pursuant to the Uniform Method, the procedures and remedies described above under "Sale of Tax Certificates" will not be available in regard to any such delinquent Special Assessments, or any other delinquent Special Assessments for which the Uniform Method is unavailable. Concerning delinquent Special Assessments billed directly by the District, the District is authorized to foreclose the lien of such delinquent Special Assessments by bringing foreclosure proceedings in the Circuit Court in and for Nassau as provided for in Chapter 173, Florida Statutes. Chapter 173, Florida Statutes provides that after the expiration of one year from the date any special assessment or installment thereof becomes due, the District may commence

foreclosure proceedings against the lands upon which the Special Assessments are liens. Such proceedings are in rem, meaning that the action is brought against the land and not against the owner.

In general, under Chapter 173, Florida Statutes, after the District commences the suit, there is a period of notice to, and an opportunity for response by, affected persons. Ultimately a hearing will be held and, if the court decides in favor of the District a judgment will be rendered in the amount of the delinquent Special Assessments, interest and penalties on such delinquent Special Assessments and costs of the proceeding, including a reasonable attorney's fee. In the judgment or decree the court may, in its discretion, direct the payment of all unpaid state and county taxes and also all unpaid city or town taxes and special assessments or installments thereof, imposed or falling due since the institution of the suit, with the penalties and costs, out of the proceeds of such foreclosure sale, or it may order and direct such sale or sales to be made subject to such state and county and city or town taxes and special assessments. The judgment would also direct sale of the land subject to the delinquent Special Assessments by public bid to the highest bidder. Any and all conveyances vest in the purchaser the fee simple title to the property so sold, subject only to such liens for state and county taxes or taxing districts whose liens are of equal dignity with the lien of such Special Assessments, and liens for municipal taxes and special assessments, or installments thereof, as are not directed by the decree of sale to be paid out of the proceeds of said sale.

THERE CAN BE NO ASSURANCE THAT ANY SALE, PARTICULARLY A BULK SALE, OF LAND SUBJECT TO DELINQUENT ASSESSMENTS WILL PRODUCE PROCEEDS SUFFICIENT TO PAY THE FULL AMOUNT OF SUCH DELINQUENT ASSESSMENTS PLUS OTHER DELINQUENT TAXES AND ASSESSMENTS APPLICABLE THERETO. ANY SUCH DEFICIENCY COULD RESULT IN THE INABILITY OF THE DISTRICT TO REPAY, IN FULL, THE PRINCIPAL OF AND INTEREST ON THE 2007 BONDS.

Enforcement of the obligation to pay 2007 Special Assessments and the ability to foreclose the lien created by the failure to pay 2007 Special Assessments or the ability of the Tax Collector to sell tax certificates and ultimately tax deeds may not be readily available or may be limited as such enforcement is dependent upon judicial actions which are often subject to discretion and delay.

### **Overlapping Assessments**

The District has the authority to levy non-ad valorem assessments on lands in the District for maintenance and operation of the facilities and systems operated by the District and anticipates the annual levy of such maintenance special assessments which will have a lien of co-equal status with the lien of the 2007 Assessments. Further, because the lien of the 2007 Assessments is coequal with all other District Assessments and also coequal with other assessments and taxes, if the proceeds from the sale of tax certificates or from foreclosure are insufficient to fully discharge any tax liability, such proceeds would be disbursed in proportion to the relative amounts due to each taxing entity, thereby resulting in a similarly proportionate distribution of such proceeds for the benefit of the all of the Bonds of the District as to which such District Assessments are pledged.

### **Prepayment**

Pursuant to the terms of applicable state law, the owners of property subject to the 2007 Assessments may pay the entire balance of the 2007 Assessment remaining due, without interest, within thirty days after the 2007 Project has been completed and the Board of Supervisors has adopted a resolution accepting the 2007 Project as provided by Section 170.09, Florida Statutes. At any time from the date of levy of 2007 Assessments on a parcel of District Lands through the date that is thirty days after the date the 2007 Project is acquired or completed by the District, any owner of property subject to the

2007 Assessments may, at its option, require the District to release and extinguish the lien upon its property by virtue of the levy of the 2007 Assessments that relate to the 2007 Bonds by paying to the Issuer the entire amount of such 2007 Assessment on such property, without interest. At the time of closing of the 2007 Bonds, the Developer (in its capacity as the Landowner) will be waiving its right to prepay the 2007 Assessments without interest. At any time subsequent to the period described in the preceding sentence, any owner of property subject to the 2007 Assessments may, at its option, require the District to release and extinguish the lien upon its property by virtue of the levy of the 2007 Assessments that relate to the 2007 Bonds by paying to the District the entire amount of such 2007 Assessment on such property, plus accrued interest to the next succeeding Redemption Date (or the second succeeding Redemption Date if such prepayment is made within forty calendar days before an Interest Payment Date), attributable to the property subject to 2007 Assessment owned by such owner. Upon receipt of a prepayment as described in the two preceding sentences, the District shall immediately pay the amount so received to the Trustee, and the District shall take such action as is necessary to record in the official records of the County an affidavit or affidavits, as the case may be, executed by an authorized officer of the District, to the effect that the 2007 Assessment has been paid and that such Series 2007 Assessment lien is thereby released and extinguished. Upon receipt of any such moneys from the District, the Trustee shall immediately deposit the same into the applicable 2007 Prepayment Subaccount in the Redemption Fund, such funds are to be applied to the redemption of 2007 Bonds in accordance with the terms of the Indenture. See "THE 2007 BONDS -- Redemption Provisions" herein.

### **Re-Assessment**

Pursuant to the Indenture, if any 2007 Assessments shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or the District shall be satisfied that any such 2007 Assessments is so irregular or defective that it cannot be enforced or collected, or if the District shall have omitted to make such 2007 Assessments when it might have done so, the District shall either: (i) take all necessary steps to cause a new 2007 Assessment to be made for the whole or any part of such improvement or against any property benefited by such improvement; or (ii) in its sole discretion, make up the amount of such 2007 Assessment from legally available moneys, which moneys shall be deposited into the related 2007A Revenue Account. In case any such subsequent 2007 Assessment shall also be annulled, the District shall obtain and make other 2007 Assessments or until a valid 2007 Assessment shall be made.

### **Adjustments to the 2007 Assessments**

Upon completion of the 2007 Project, the 2007 Assessments will be credited, pro rata, with any excess of the original 2007 Assessments over the actual cost (including, without limitation, costs associated with the issuance of the Bonds, the capitalized interest and the Debt Service Reserve Fund) funded from proceeds of the Bonds. The Assessment Proceedings permit the Board of Supervisors, under certain circumstances, to credit against the 2007 Assessments due on an annual basis excess moneys on deposit in the Revenue Fund, but provide that the Board in determining whether to grant such credits shall be governed primarily by the interests of the Bondholders and if granting such credit could be reasonably expected to adversely affect the ability of the District to pay principal of, and interest and premium, if any, on the Bonds when due, whether in the year in which such credit is being considered or in any future year, then the Board shall not grant such credit.

### **Structure of 2007 Assessments**

According to the District's Assessment Proceedings, a property owner may prepay the 2007 Assessments, in whole, at any time or any portion of the remaining balance of the 2007 Assessments one (1) time if there is also paid in addition to the remaining principal balance of the 2007 Assessment an amount equal to the interest that would otherwise be due on such balance on the next succeeding

Redemption Date for the 2007 Bonds, or, if prepaid during the forty five day period preceding the Redemption Date, to the next succeeding Redemption Date.

**ESTIMATED SOURCES AND USES OF BOND PROCEEDS**

Sources:

Par Amount of 2007 Bonds	<u>\$7,350,000</u>
Total Sources	<u><u>\$7,350,000</u></u>

Uses:

Deposit to 2007 Acquisition and Construction Account	\$6,051,949.28
Deposit to 2007 Capitalized Interest Account <sup>(1)</sup>	496,363.22
Deposit to 2007 Reserve Account	516,437.50
Deposit to 2007 Costs of Issuance Account <sup>(2)</sup>	<u>285,250.00</u>
Total Uses	<u><u>\$7,350,000.00</u></u>

<sup>(1)</sup> Includes capitalized interest on the Series 2007 Bonds through November 1, 2008.

<sup>(2)</sup> Includes underwriter's discount.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

## DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled debt service on the 2007 Bonds:

<u>Period Ending November 1st</u>	<u>Principal</u>	<u>Interest<sup>(1)</sup></u>	<u>Total Debt Service</u>
2007	\$	\$111,526.04	\$111,526.04
2008		422,625.00	422,625.00
2009	95,000	419,893.75	514,893.75
2010	100,000	414,287.50	514,287.50
2011	105,000	408,393.75	513,393.75
2012	110,000	402,212.50	512,212.50
2013	120,000	395,600.00	515,600.00
2014	125,000	388,556.25	513,556.25
2015	135,000	381,081.25	516,081.25
2016	140,000	373,175.00	513,175.00
2017	150,000	364,837.50	514,837.50
2018	160,000	355,925.00	515,925.00
2019	170,000	346,437.50	516,437.50
2020	175,000	336,518.75	511,518.75
2021	190,000	326,025.00	516,025.00
2022	200,000	314,812.50	514,812.50
2023	210,000	303,025.00	513,025.00
2024	225,000	290,518.75	515,518.75
2025	235,000	277,293.75	512,293.75
2026	250,000	263,350.00	513,350.00
2027	265,000	248,543.75	513,543.75
2028	280,000	232,875.00	512,875.00
2029	300,000	216,200.00	516,200.00
2030	315,000	198,518.75	513,518.75
2031	335,000	179,831.25	514,831.25
2032	355,000	159,993.75	514,993.75
2033	375,000	139,006.25	514,006.25
2034	395,000	116,868.75	511,868.75
2035	420,000	93,437.50	513,437.50
2036	445,000	68,568.75	513,568.75
2037	470,000	42,262.50	512,262.50
2038 <sup>(2)</sup>	<u>\$500,000</u>	<u>\$14,375.00</u>	<u>\$514,375.00</u>
Totals	<u>\$7,350,000</u>	<u>\$8,606,576.04</u>	<u>\$15,956,576.04</u>

<sup>(1)</sup> Interest on 2007 Bonds is capitalized through November 1, 2008.

<sup>(2)</sup> Final maturity is May 1, 2038.

## THE 2007 PROJECT

### Overview

Detailed information concerning the 2007 Project is contained in the Engineer's Report set forth in Appendix A hereto. The information in this section is qualified in its entirety by reference to such Engineer's Report, which Engineer's Report should be read in its entirety.

The proceeds of the Series 2007 Bonds will be used to finance the 2007 Project. The 2007 Project is a portion of the District Capital Improvement Plan, which includes the acquisition, construction, installation and equipping of certain infrastructure improvements including (1) roadways, (2) potable distribution water, (3) wastewater collection, (4) stormwater management, (5) recreation facilities and (6) related improvements for the benefit of the District Lands.

The Report of the District Engineer estimates that the Capital Improvement Program of the District will cost approximately \$13,244,950. Of this amount, approximately \$6,000,000 will be financed with the proceeds of the 2007 Bonds (the "2007 Project"). The balance of the improvements described in the Capital Improvement Program (\$7,244,950), and any additional infrastructure needed to complete the Development not financed with proceeds of the 2007 Bonds will be paid for by the Developer through Developer contributions. The District anticipates entering into a Completion Agreement with the Developer regarding the Developer's obligation to complete the District's Capital Improvement Program as provided for above. Set forth in the table below are the estimated costs of the total Capital Improvement Program, a portion of which is anticipated to be paid from proceeds of the 2007 Bonds.

<b>Category</b>	<b>Total</b>
Clearing & Grading	\$ 3,728,800
Roadway	2,944,400
Stormwater	1,072,500
Water	1,287,000
Sewer	1,604,250
Community Recreation	1,750,000
Landscaping, Entry Monuments & Signs	400,000
Engineering/Permitting	<u>458,000</u>
<b>Total</b>	<b><u>\$13,244,950</u></b>

*Source: District Engineer*

The Engineer's Report describes permits obtained, or required to be obtained, from governmental authorities in connection with the 2007 Project. See also "THE DEVELOPMENT" and "BONDHOLDERS RISKS" for information relating to certain pending permit approvals that affect the 2007 Project and the Development.

## THE DEVELOPMENT

*The information appearing herein under the captions "THE LANDOWNER AND THE DEVELOPER" and "THE DEVELOPMENT" has been furnished by the Developer for use in this Limited Offering Memorandum and, although believed to be reliable, such information has not been independently verified by the District or its counsel, or the Underwriter or its counsel or Bond Counsel, and no persons other than the Developer make any representation or warranty as to the accuracy or completeness of such information supplied by it. The successful construction, sales of lots and absorption of the Development is subject to various economic, regulatory and financial conditions, many of which are outside the control of the Developer or the District. The planned build-out and other financial or statistical projections contained herein are based upon estimates and assumptions made by the Developer that are inherently uncertain, though considered reasonable by the Developer, and are subject to significant business, economic, and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the control of the Developer. As a result, there can be no assurance such build-out, financial or statistical projections will occur or be realized in the time frames currently anticipated and set forth herein. The Developer warrants and represents that (i) the information herein under the captions "THE LANDOWNER AND THE DEVELOPER" and "THE DEVELOPMENT," and (ii) the information relating to the Development, the Landowner and the Developer under "Bondowners' Risks," 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.*

### General

Amelia Concourse (the "Development") is a 200-acre community in eastern Nassau County located three miles west of the Intercoastal Waterway, south of A1A and west of State Road 107. Amelia Concourse is planned for 458 single family homes. All of the District lands are included within the Development. All of the land is currently owned by the Developer.

Amelia Concourse is located approximately 20 miles northeast of the Jacksonville International Airport and within a 30 minute drive to downtown Jacksonville. The community is also located minutes from shopping, schools, golf courses (the North Hampton and Amelia National golf courses are both within a mile of the development), other recreation and the beautiful, sandy beaches of Amelia Island and Fernandina Beach. This area of Nassau County is growing rapidly with several successful developments in the vicinity including North Hampton, Flora Parke and Amelia National.

### Development Approvals

The principal development approvals required for development of the Development and the construction of the 2007 Project are (i) land use permits, which include compliance with the County's comprehensive land use plan, zoning and concurrency management, and (ii) construction and building permits, which include wetlands permits from the U.S. Army Corps of Engineers, drainage permits from the St. Johns River Water Management District, potable water and wastewater permits from the Florida Department of Environmental Protection and clearing and construction permits from the County (which require submission and approval of the site plan and civil engineering and construction plans).

The status of the principal construction and building permits is described in the Engineers Report included as Appendix A.

The District Engineer has represented that there are no technical reasons existing at this time which would prohibit the implementation of the plans for the Development as presented herein and that all permits not heretofore issued and which are necessary to effect the improvements described herein are

expected to be obtained during the ordinary course of development. See “APPENDIX A—Engineer’s Report” for additional information.

### Development Plan

Current development plans for the lands within the District anticipate a total of 458 residential units, parks and recreation areas, entry signage, master storm water facilities, water, sewer and other utility facilities, and on- and off-site roadways. The District will acquire, construct, operate and maintain certain public infrastructure to support this community. See “THE 2007 PROJECT” herein.

### Product Description

The Developer’s current plans for the Development call for selling finished lots for single-family homes to homebuilders. The homebuilders are expected to sell lot-home packages to prospective residents. Parcels subject to Special Assessments will be single-family lots that will be priced to respond to various market segments and to appeal to families, singles, couples, empty nesters and retirees. The following table reflects the Developer’s current expectations of product type and number of units, although these variables are subject to change to accommodate market conditions:

Product Type	Lot Size	# of Units	Lot Price	Expected Home Price
Single Family	75’ X 116’	458	\$75,000	\$280,000 - \$380,000

### Estimated Absorption of Single Family Homes

The Developer anticipates the sale of homes may occur in the numbers and years as follows:

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Total</u>
50	100	100	100	108	458

The estimated absorption rates are based upon estimates and assumptions made by the Developer that are based on certain existing lot purchase and sales agreements, appraisal data, and comparisons with other master planned communities in the area. Such estimates and assumptions are inherently uncertain and subject to significant business, economic and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the control of the Developer. As a result, there can be no assurance that such absorption rates will occur or be realized in the manner set forth in the table.

### Builder Contracts

The Developer has entered into purchase agreements with two local builders to purchase all of the lots with closings to begin when roads and utilities are completed. The following table sets forth lots committed under builder contracts.

<u>Builder</u>	<u>Number of Lots</u>
Providence Homes	229
Watson Custom Home Builders, Inc.	<u>229</u>
Total	458

The first phase of development (133 lots) is substantially complete and the builders are expected to begin lot purchases on or before June 30, 2007. Note that the builders and the landowner/developer are under common ownership and it is anticipated that this arrangement will provide flexibility to increase lot purchases as well as the price for the lots in future phases. The purchase price for the lots in the first phase is \$75,000 and due to the common ownership, no deposits were required.

The following information is a brief biography of each of the builders as provided by the respective builder:

*Providence Homes.* Providence is a locally and privately owned homebuilder established in 1992 by Bill Cellar. Providence offers homes in Clay, Duval and St. Johns counties from the \$100,000's to over \$400,000. Providence has received numerous awards and recognition including Parade of Homes as well as being named twice to the Inc. 500 list of fastest growing companies in America. Bill has been representing Providence Homes as a board member of NEFBA for the past several years. Providence is building in some of the areas' best communities such as Eagle Harbor at Fleming Island, Julington Creek Plantation, Fleming Island Plantation, Windsor Chase, and Marsh Winds.

*Watson Custom Home Builders, Inc.* Watson Custom Home Builders, Inc. is a privately owned homebulder which builds homes in various communities in Northeast Florida. Since 1999, Watson has built homes in over 30 communities, and currently has homes under construction in 19 communities from Nassau County (Fernandina Beach) to Alachua County (Gainesville). Home prices range from the mid-\$100,000's to over \$500,000. In 2006, Watson sold over \$19,000,000 of new homes. Representative communities where Watson is currently building homes include: Heron Isles, Highland Dunes and Lumbar Creek in Nassau County; Grandholm Point and Wellington Park in St. Johns County, and Westchester in Alachua County.

## **Marketing**

The marketing of Amelia Concourse is anticipated to communicate an overall quality-of-life, conveyed through lifestyle images of family recreation with a strong emphasis on nature and the environment. Amelia Concourse's target markets are predominantly local/regional ones with an emphasis on relocating residents and incoming employment relocations. The builders under contract to purchase lots within Amelia Concourse have very aggressive marketing programs that concentrate on a mix of local/regional media venues including newspaper, outdoor, magazines, realtor trade publications, newcomer publications, radio, television and internet.

## **Property Taxes, Other Special Assessments and Association Fees**

It is currently anticipated that each homeowner will pay annual taxes, assessments and fees on an ongoing basis as a result of its ownership of property within the Development, including local ad valorem property taxes, the Special Assessments levied by the District in connection with the 2007 Project, and maintenance and operating assessment levied by the District. The Development will also have a homeowners association that will impose annual assessments on the homes in the Development.

The current approximate millage rate for the area of the County where the District is located is approximately 16.836 mils (county, school district, water management and other regional special districts). Assuming an average single family home price of \$400,000, with a \$25,000 homestead exemption, based upon the millage rates applicable during the calendar year ended December 31, 2006, the annual ad-valorem property tax would be \$6,313.50.

The Developer will create a homeowner association in order to ensure adherence to and enforcement of the architectural guidelines it has established for the homes in the community and to contract and pay for high speed internet and satellite cable telecommunications services at bargain prices for the owners. The homeowners' association is not anticipated to provide maintenance or other services and will charge association fees. The table below illustrates the Developer's preliminary estimate of the annual homeowner association fees which are exclusive of the projected operation and maintenance assessments for the District.

<u>Estimated Annual HOA Fee</u>	
Covenant Enforcement	\$ 8.50
Telecommunications	<u>80.00</u>
Total	\$88.50

All landowners within the District are subject to annual assessments ("Long-Term Special Assessments") levied over a thirty (30) year period in connection with the issuance by the District of the Bonds. In addition, all landowners are subject to annual operation and maintenance assessments, which are based upon the District's actual costs. The table below illustrates the annual Long-Term Special Assessments and estimated initial annual operation and maintenance assessment by product type.

<u>Product Type</u>	<u>Estimated Long Term Special Assessments</u>	<u>Estimated Initial O&amp;M Special Assessment</u>
Single-Family	\$1,200	\$650

### **Utilities**

The Development is located within the service areas of Jacksonville Electric Authority which will provide water and wastewater services to the Development. Electric service will be provided by Florida Power & Light.

### **Public Schools**

Elementary school students living within the District will attend Yulee Elementary which is approximately 5 miles from the Development. Students in Middle school are expected to attend Yulee Middle School which is 6 miles from the Development. Students in grades nine through twelve will attend Yulee High School which is 8 miles from the Development.

### **Competition**

The Developer believes that the Development is well positioned in relation to the competition due to its proximity to Jacksonville, easy access to Interstate 95, its extraordinary amenity package and its favorable pricing when compared to the competition.

The following are brief descriptions provided by the Developer of those fully amenitized communities believed to be competition with the Development.

*Flora Parke.* Flora Parke is located approximately 2 miles north of the Development. Flora Parke is planned for 331 units and has been under development by Flora Parke Development since 2001. Home prices range from approximately \$215,000 to over \$350,000. To date, approximately 241 units have been sold to home owners. Flora Parke is expected to be completed by 2008.

*Bells River.* Bells River is located approximately 6 miles north of the Development. Bells River is planned for 84 units and has been under development by Bells River Estates since 2005. Home prices range from approximately \$157,000 to over \$300,000. To date, approximately 64 units have been sold to home owners. Bells River is expected to be completed by early 2008.

*Amelia National.* Amelia National is located immediately north of the Development. Amelia National is planned for 749 units and has been under development by Montgomery Land since 2005. Home prices range from approximately \$339,000 to over \$650,000. To date, approximately 200 total units have been sold to both homebuilders and end-users. Amelia National is expected to be completed by 2014.

*Amelia Walk.* Amelia Walk is located immediately west of the Development. Amelia Walk is planned for 749 units and has been under development by Woodside Communities since 2006. Home prices range from approximately \$245,000 to over \$525,000. The model center at Amelia Walk has just opened. Amelia Walk is expected to be completed by 2015.

### **Recreational and Lifestyle Amenities Provided by the District**

Community facilities to be provided by the District are anticipated to include 3 swimming pools including a beach access to one of the pools with a water park, a clubhouse with over 3,000 square feet of covered area, a play ground and parking. The community facilities are located so as to be visible as visitors enter the community and overlook a large retention pond located immediately behind the facilities.

### **Development Finance Plan**

In April 2006, the Developer entered into a contract for the purchase of the lands within the District for the total purchase price of \$9,145,000. Total land development costs, including land, are expected to be \$27,300,000. To date, the Developer has expended approximately \$14,700,000 (including land) towards land development. Land acquisition and development not funded by the 2007 Bonds and the Developer's own funds are being funded by an Acquisition and Development Agreement line of credit (the "A&D Line") provided by Wachovia Bank, N.A. ("Wachovia"). The A&D Line has been issued in the aggregate principal amount of \$15,000,000 and is due in February 2009. As of June 27, 2007, approximately \$11,800,000 of that amount is outstanding. The A&D Line is secured by a mortgage on the lands within the District.

## **THE LANDOWNER AND THE DEVELOPER**

### **The Landowner and the Developer**

Amelia Concourse Development LLC, the Developer, currently owns the land within the District that is subject to the Special Assessments. Amelia Concourse Development LLC, is a Florida limited liability company formed in 2002 for the principal purpose of developing the Development. The Developer acquired the property in April 2006 for \$9,145,000 and has expended approximately \$14,700,000 in development costs to date (including land).

Amelia Concourse, LLC and Nassau Developers, LLC are entities affiliated with the Developer. The principals associated with Amelia Concourse, LLC and Watson Custom Homebuilders, Inc. are Mr. John Towers, Mr. Billy Towers and Mr. Jim Watson. Mr. Bill Cellar is the principal associated with Nassau Developers, LLC and Providence Homes.

*Amelia Concourse, LLC.* As the sons of one of Florida’s pioneer families, Bill and John Towers’ interest in the development business was predestined. In the 1920’s, their grandfather, C.D. Towers, Sr., extended his law practice to include land development and homebuilding. Their father and uncle continued in the path of their grandfather, with the founding of a construction company which altered the face of Northeast Florida, during the 1950-1960’s. The Towers Brothers continued the tradition with the creation of their own company 25 years ago, known as Atlantic Builders. By the time of its sale in 1998 to a national conglomerate, it had become the largest homebuilder in Northeast Florida.

Jim Watson also grew up in Florida, and joined Atlantic Builders in 1988. This association with Towers, which began more than 15 years ago, has thus far resulted in the creation of townhome projects, single family residential communities, office-condominium parks; and, now plans for condominium projects have begun. Amelia Concourse in Nassau County represents an exciting community in which the three partners are involved through their interests in Amelia Concourse Development, LLC.

With the technical knowledge of Mr. Watson, the experience of the Towers Brothers, and the expertise and manpower of their management and field teams, they now have the distinction as one of the largest locally owned builders in Northeast Florida. Watson Custom Home Builders, Inc. and TWT Development Corporation, owned by the trio, have an impressive portfolio of performance. In 2005, the home construction company closed the year with a \$19,000,000 volume; and the development company is flourishing with 25 communities in various stages of horizontal construction in the five county area of Northeast Florida.

With the tools of knowledge, expertise and experience in the industry, Amelia Concourse Development, LLC, will continue the partners’ tradition of accomplishments; a tradition which began more than 80 years ago by Mr. Towers, Sr. It is a tradition of value, performance, quality and many satisfied homebuyers.

*Nassau Developers, LLC.* Bill Cellar graduated from the University of Virginia with a masters degree in business administration in 1987. He moved to Jacksonville shortly thereafter and began working as a strategic planner for Barnett Bank. A few years later, Cellar joined a local construction company where he learned the construction business. In 1992, Cellar started Providence Homes and grew his homebuilding company from a one-man, home-based operation to a company with a staff of 28 full-time employees. Providence Homes has been the recipient of numerous Parade of Homes Awards for design and excellence and was recognized twice by INC. Magazine as one of the Top 500 fastest growing companies in America. The Jacksonville Business Journal has consistently ranked Providence Homes on its top 50 fastest growing businesses. Cellar is a member of the Board of Directors of the Northeast Florida Builders Association and a member of the National Association of Home Builders.

The representative projects developed by the principals of the Developer are listed in the following table.

<u>Project Name</u>	<u>Project Type</u>	<u># of Units</u>	<u>Location</u>	<u>Status</u>
Hannah Stables	Single-Family	102	Jacksonville, Florida	Built out
Meadowfield Bluff	Single-Family	225	Yulee, Florida	Built out
Cross Creek	Single-Family	278	Tampa, Florida	Built out
Southchase	Single-Family	106	Jacksonville, Florida	Built out

River Mist	Single-Family	210	Greenville, South Carolina	Built out
Warrenton	Single-Family	193	Greenville, South Carolina	Built out
Summerfield	Single-Family	182	Greenville, South Carolina	Built out
Whitehall Plantation	Single-Family	207	Charleston, South Carolina	Built out
The Reserve at Nassau Lakes	Single-Family	81	Fernandina Beach, Florida	Built out
Country Walk	Single-Family	179	Elkton, Florida	Estimated build out in 2009
Old Sabastian Point	Single-Family	88	St. Augustine, Florida	Estimated build out in 2009
Weschester	Single-Family	279	Gainesville, Florida	Estimated build out in 2010
Lumber Creek	Single-Family	316	Yulee, Florida	Estimated build out in 2010
Highland Dunes	Single-Family	41	Fernandina Beach, Florida	Estimated build out in 2008
Plantation Village Townhomes	Townhome Community	197	Orange Park, Florida	Phase 1 complete; Phase 2 estimated build out in 2009
Plantation Village North	Townhome Community	123	Orange Park, Florida	Estimated build out in 2008
Watermill Townhomes	Townhome Community	140	Jacksonville, Florida	Estimated build out for Phase 1 in 2007, for Phase 2 in 2008
The Reserve at Heron Cove	Condominium	184	Jacksonville, Florida	Estimated build out in 2009
Keystone Place	Condominium	48	Amelia Island, Florida	Estimated build out in 2008
Summerwoods of Amelia	Condominium	132	Amelia Island, Florida	Estimated build out in 2008
Merrill Road Condominium Community	Condominium	192	Jacksonville, Florida	Permits pending
Magnolia Cove Condominium Community	Condominium	144	Yulee, Florida	Permits pending
Autumn Woods	Single-Family	127	Jacksonville, Florida	Permits pending
Willford Place	Single-Family	377	Orange Park, Florida	Permits pending

## **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 of Florida. Certain of these risks are described in the section above entitled "THE 2007 ASSESSMENTS"; however, certain additional risks are associated with the Series 2007 Bonds offered hereby. This section does not purport to summarize all risks that may be associated with purchasing or owning the 2007 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 2007 Bonds.

Until further development takes place on the benefited land within the Development and lots are sold to the Builder and other builders, payment of the 2007 Assessments is substantially dependent upon their timely payment by the Landowner. See "THE DEVELOPMENT" and "THE LANDOWNER AND THE DEVELOPER" herein. It is expected that substantially all of the property within the District burdened by the 2007 Assessments will initially be owned by the Developer (in such capacity, the "Landowner"). In the event of the institution of bankruptcy or similar proceedings with respect to the Landowner or any other subsequent owner of property within the District, delays and impairment could occur in the payment of debt service on the 2007 Bonds as such bankruptcy could negatively impact the ability of: (i) the Landowner and any other land owner being able to pay the 2007 Assessments; and (ii) the District to foreclose the lien on the 2007 Assessments. Delays in the receipt of 2007 Assessment Revenues could result during the period it would take for the District to institute and complete foreclosure proceedings. In the event of the institution of bankruptcy or similar proceedings with respect to the Landowner or any other subsequent owner of property within the Development, delays could occur in the payment of debt service on the 2007 Bonds. In addition, the remedies available to the Owners of the 2007 Bonds, the Trustee and the District upon an event of default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by federal, state and local law and in the Indenture and the 2007 Bonds, including, without limitation, enforcement of the obligation to pay 2007 Assessments and the ability of the District to foreclose the lien of the 2007 Assessments, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2007 Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments by limitation imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The inability, either partially or fully, to enforce remedies available respecting the 2007 Assessments and 2007A Bonds could have a material adverse impact on the interest of the Owners hereof.

The principal security for the payment of the principal and interest on the 2007 Bonds is the timely collection of the 2007 Assessments. The Developer expects to proceed in its normal course of business to sell sites to the Builder and to other builders for them to construct homes thereon for residential use. The 2007 Assessments do not constitute a personal indebtedness of the owners of the land subject thereto, but are secured by a lien on such land. There is no assurance that the owners will be able to pay the 2007 Assessments or that they will pay such 2007 Assessments even though financially able to do so. The assessment of the benefits to be received by the land within the District as a result of implementation of the 2007 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. To the extent that the realizable or market value of the land benefited by the 2007 Project is lower than the assessment of benefits, the ability of the District to realize sufficient value from a foreclosure action to pay debt service on the 2007 Bonds may be adversely affected. Such adverse effect could render the District unable to collect Delinquent Assessments, if any, and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of debt service on the 2007 Bonds.

The Development may be affected by changes in general economic conditions, fluctuations in the real estate market, increases in lending rates and other factors beyond the control of the Developer. In addition, the proposed Development is subject to comprehensive federal, state, and local regulations and future changes to such regulations. Approval is required from various public agencies in connection with, among other things, the design, nature and extent of required public improvements, both public and private, and construction of the Development in accordance with applicable zoning, land use and environmental regulations for the Development. Although no delays are anticipated, failure to obtain any such approvals in a timely manner could delay or adversely affect the Development, which may negatively impact the Developer's desire or ability to develop the Development as contemplated. No assurance can be given that unknown hazardous materials, protected animals, etc., do not currently exist or may develop in the future whether originating within the Development or from surrounding property, and what effect such may have on the Development.

The District has not granted, and may not grant under Florida law, a mortgage or security interest in the 2007 Project. Furthermore, the District has not pledged the revenues from the operation of the 2007 Project as security for, or a source of payment of, the 2007 Bonds. Neither has the District covenanted to establish rates, fees and charges for the 2007 Project at any specified levels. The 2007 Bonds are payable solely from, and secured solely by, the 2007 Assessments and the moneys in the funds and accounts created under the Indenture, except for the 2007 Rebate Account. The Landowner's obligation to pay the 2007 Assessments is limited solely to the obligation of any landowner to pay its 2007 Assessment. The Landowner and the Developer are not a guarantor of payment on any 2007 Assessment and the recourse for the Landowners' failure to pay the 2007 Assessments is limited to its ownership interest in the assessed land.

The willingness and/or ability of an owner of land within the Development to pay the 2007 Assessments could be affected by the existence of other taxes and assessments imposed upon the property by the District, the County or other governmental entities with jurisdiction over the District. Public entities whose boundaries overlap those of the District, such as the County, the Nassau County School District and other special districts, could, without the consent of the owners of the land within the Development, impose additional taxes or assessments on the property within the Development. See "THE DEVELOPMENT – Property Taxes, Other Special Assessments and Association Fees" herein. The District may impose, levy and collect capital Assessments for additional components of the Capital Improvement Program which may overlap the 2007A Assessments. See "THE 2007 ASSESSMENTS – Overlapping Assessments." Future District Assessments, County, municipal, school, other special district taxes and assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on bonds are payable at one time. Public entities whose boundaries overlap those of the District could, without the consent of the owners of the land within the District, impose additional taxes or assessments on the property within the District. As referenced herein, the District may also impose additional assessments which could encumber the property burdened by the 2007 Assessments.

The 2007 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the 2007 Bonds in the event an Owner thereof determines to solicit purchasers of the 2007 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the 2007 Bonds may be sold. Such price may be lower than that paid by the current Owner of the 2007 Bonds, depending on the progress of the Development, existing market conditions and other factors. There can also be no assurance, in the event the District does not have sufficient moneys on hand to complete the 2007 Project, that the District will be able to raise through the issuance of bonds or otherwise the moneys necessary to complete the 2007 Project.

In addition to legal delays that could result from bankruptcy, the ability of the District to enforce collection of delinquent 2007 Assessments will be dependent upon various factors, including the delay

inherent in any judicial proceeding to enforce the lien of the 2007 Assessments and the value of the land which is the subject of such proceedings and which may be subject to sale. See “THE 2007 ASSESSMENTS” herein. If the District has difficulty in collecting the 2007 Assessments, the 2007 Reserve Account could be rapidly depleted and the ability of the District to pay debt service could be materially adversely affected.

The District is only undertaking the improvements included in the 2007 Project with proceeds of the 2007 Bonds. The cost of certain other improvements that are a part of the Capital Improvement Program of the District but that are not included in the 2007 Project are anticipated to be paid for by Developer funds/contributions, the issuance of an additional series of Bonds by the District, or any combination of the latter two. There can be no assurance that the Developer will be able to pay, or arrange to pay, for the costs or maintenance of these other improvements. In addition, there can be no assurances that the Developer will be able to pay, or arrange to pay or that additional series of bonds could be issued to finance such costs.

No application for credit enhancement or a rating on the 2007 Bonds has been made. Accordingly, the 2007 Bonds are neither rated nor insured.

Although the District Engineer will certify at closing that all permits necessary to complete the 2007 Project have either been obtained or, in its opinion, will be obtained and that there is no reason to believe that the necessary permits cannot be obtained for the 2007 Project, in the event that those permits or approvals are not forthcoming or are significantly delayed, the ability of the Developer to market and sell lots within the Development could be significantly impaired or frustrated.

Owners should note that several mortgage lenders have, in the past, raised legal challenges to the primacy of the liens of special assessments in relation to the liens of mortgages burdening the same real property; in all such cases to date, the applicable courts have held that the special assessment liens (like those of the 2007 Assessments) are superior to those of the commercial mortgage lenders.

The interest rate borne by the 2007 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 2007 Bonds. These higher interest rates are intended to compensate investors in the 2007 Bonds for the risk inherent in a purchase of the 2007 Bonds. However, such higher interest rates, in and of themselves, increase the amount of 2007 Special Assessments that the District must levy in order to provide for payments of debt service on the 2007 Bonds, and, in turn, may increase the burden upon owners of lands within the District.

Prospective Bondholders should note that although the Indenture contains the 2007 Reserve Account Requirement for the 2007 Reserve Account, if in fact that account is accessed for any purpose, the District does not have a designated revenue source for replenishing that fund. Moreover, the District will not be permitted to re-assess real property then burdened by the 2007 Special Assessments in order to provide for the replenishment of the 2007 Reserve Account.

While the District has represented to the Underwriter that it has selected its District Manager, financial consultant, counsel, engineer, Trustee and other professionals with the appropriate due diligence and care, and while the foregoing professionals have each represented in their respective areas as having the requisite expertise to accurately and timely perform the duties assigned to them in such roles, the District does not guaranty any portion of the performance of these professionals. Failure on the part of any one of these professionals to perform their obligations could result in a delay in payment on the 2007 Bonds, and in the worst possible situation, the non-payment of the 2007 Bonds.

The District has not completed (as of this date) the proceedings required by applicable Florida law to finalize the levy of the 2007 Special Assessments on the benefited land, however, the 2007 Bonds will not be issued until the proceedings are completed.

The homebuilding industry in Florida is currently experiencing a significant slowing of new home sales and new home closings, as well as an increased rate of cancellation of new home purchase contracts, as compared to recent years.

This section does not purport to summarize all risks that may be associated with purchasing or owning the 2007 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety, to visit the District and to ask questions of representatives of the Developer to obtain a more complete description of investment considerations relating to the 2007 Bonds.

## **TAX MATTERS**

### **Opinion of Bond Counsel**

In the opinion of Bond Counsel, the form of which is included as Appendix D hereto, the interest on the 2007 Bonds is excludable from gross income and is not a specific item of tax preference for federal income tax purposes under existing statutes, regulations, rulings and court decisions. However, interest on the 2007 Bonds is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on corporations pursuant to the Internal Revenue Code of 1986, as amended (the "Code"). Failure by the District to comply subsequently to the issuance of the 2007 Bonds with certain requirements of the Code, regarding the use, expenditure and investment of bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the 2007 Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issue. The District has covenanted to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the 2007 Bonds for purposes of federal income taxation. In rendering its opinion, Bond Counsel has assumed continuing compliance with such covenants.

### **Internal Revenue Code of 1986**

The Code contains a number of provisions that apply to the 2007 Bonds, including, among other things, restrictions relating to the use of investment of the proceeds of the 2007 Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the 2007 Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the 2007 Bonds being included in gross income for federal income tax purposes retroactive to their date of issue.

### **Collateral Tax Consequences**

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the 2007 Bonds. Prospective purchasers of the 2007 Bonds should be aware that the ownership of the 2007 Bonds may result in other collateral federal tax consequences. For example, ownership of the 2007 Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry such 2007 Bonds, (2) the branch profits tax, and (3) the inclusion of interest on the 2007 Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the 2007 Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE 2007 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL OR CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

### **Florida Taxes**

In the opinion of Bond Counsel, the 2007 Bonds and interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

### **Other Tax Matters**

Interest on the 2007 Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the 2007 Bonds should consult their tax advisors as to the income tax status of interest on the 2007 Bonds in their particular state or local jurisdictions.

During recent years legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the 2007 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 2007 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 2007 Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the 2007 Bonds.

## **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS**

Section 517.051, Florida Statutes, and the regulations promulgated thereunder (the "Disclosure Act") requires that the District make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975. The 2007 Bonds will be the first bonds issued by the District. Consequently, there has not been a default as to principal or interest of any bonds or other debt obligations that the District has issued or guaranteed at any time after December 31, 1975.

## **VALIDATION**

The 2007 Bonds were validated by a Final Judgment of the Nineteenth Judicial Circuit Court in and for Nassau County, Florida, entered on April 30, 2007, the appeal period for which will expire on May 30, 2007 if no appeal is taken from that judgment.

Section 75.09, Florida Statutes, provides that a final judgment validating bonds and taxes, assessments or revenues pledged for the payment thereof, from which no appeal is taken or from which an appeal is taken and the judgment is affirmed, is forever conclusive as to all matters adjudicated against a plaintiff and all parties affected thereby, including all property owners and taxpayers and all others having or claiming any right, title or interest in property to be affected by the issuance of said bonds, certificates

or other obligations or to be affected in any way thereby, and the validity of said bonds, certificates or other obligations or of any taxes, assessments or revenues pledged for the payment thereof, or of the proceedings authorizing the issuance thereof, including any remedies provided for their collection, shall never be called in question in any court by any person or party. The scope of judicial review, however, focuses on whether: (1) a public body has the authority to incur the obligation; (2) the purpose of the obligation is legal; and (3) the proceedings authorizing the obligation were proper. A final judgment validating bonds does not preclude a party from challenging the validity of such bonds or certificates on constitutional grounds.

## **LITIGATION**

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 2007 Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or the execution of the Indenture. Neither the creation, organization or existence, nor the title of the present members of the Board of Supervisors or the District Manager is being contested.

## **CONTINUING DISCLOSURE**

In order to comply with the continuing disclosure requirements of Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "Rule"), the District and the Developer will enter into a Continuing Disclosure Agreement, to be dated as of June 1, 2007 (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 certain financial information and operating data relating to the District and the 2007 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 2007 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 certain financial information and operating data relating to the Developer and the Development occurring in the District in each year (the "Developer Annual Report"). Such covenant by the Developer will apply only until the earlier to occur of (x) the payment and redemption of the 2007 Bonds, or (y) the date on which the Developer owns less than twenty (20) percent of the real property encumbered by the 2007 Assessments that secure the 2007 Bonds; provided, however, that the Developer will either (1) covenant in the Disclosure Agreement with the District that disclosure obligations described in the Disclosure Agreement will run with the land such that any successor in interest which holds the land for development shall assume the continuing disclosure obligations of the Developer or (2) covenant in the Disclosure Agreement to require that any successor to the Developer owning lands encumbered by the 2007 Assessments (either by acquisition of the lands owned by the Developer or by acquisition of any interest in the development entity) agree to undertake the disclosure obligations described in the Disclosure Agreement as a condition precedent to the transfer of any development interests from the Developer to such successor.

The District Annual Report and the Developer Annual Report (collectively, the "Annual Reports") will each be filed by the District with each Nationally Recognized Municipal Securities Information Repository described in the form of the Disclosure Agreement attached hereto as Appendix E as well as any state information depository that is subsequently established in the State of Florida (the "SID"). The notices of material events will be filed by the District with the NRMSIRs or the Municipal Securities Rulemaking Board, and with the SID. In accordance with the Rule and pursuant to the

Disclosure Agreement, Governmental Management Services, LLC – North Florida, has been appointed as the dissemination agent for all of the foregoing disclosure materials but may assign this role to a third party. The specific nature of the information to be contained in the Annual Reports and the notices of material events are described in Appendix E. The Disclosure Agreement shall be executed by the District and the Developer at the time of issuance of the 2007 Bonds.

Under certain circumstances, the failure of the District or the Developer to comply with its obligations under the Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement would allow the Bondholders (including owners of beneficial interests in the 2007 Bonds) to bring an action for specific performance.

The foregoing covenants have been made in order to assist the Underwriter in complying with the Rule. The District has never before been required to make any continuing disclosure undertakings pursuant to the Rule.

With respect to the 2007 Bonds, no party other than the District and the Developer is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Rule.

## **UNDERWRITING**

The Underwriter will agree, pursuant to a contract to be entered into with the District, subject to certain conditions, to purchase the 2007 Bonds from the District in a limited offering transaction on July 26, 2007 or such later date as the District and the Underwriters may agree (the “Closing Date”) at a purchase price of \$7,239,750 (including Underwriter’s discount of \$110,250). See “ESTIMATED SOURCES AND USES OF BOND PROCEEDS” herein. The Underwriter’s obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all the 2007 Bonds if any are purchased.

The Underwriter intends to offer the 2007 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 2007 Bonds to certain dealers (including dealers depositing the 2007 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 2007 Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice and the receipt of the opinion of Nabors, Giblin & Nickerson, Tampa, Florida, Bond Counsel, as to the validity of the 2007 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. In addition, certain matters will be passed upon for the Developer by its counsel, Alan B. Almand, P.A., Jacksonville, Florida, for the Trustee by its counsel, Holland & Knight LLP, Miami, Florida, and for the Underwriter by its counsel, Akerman Senterfitt, Jacksonville, Florida.

## **AGREEMENT BY THE STATE**

Under the Act, the State of Florida pledges to the holders of any bonds issued thereunder, including the 2007 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 recently created, and the activities of the District to the date of this Limited Offering Memorandum have been limited principally to non-revenue producing activities related to the issuance of the 2007 Bonds. Financial statements of the District are therefore not available and not included herein. The District has covenanted in the Continuing Disclosure Agreement attached hereto as Appendix E to provide its annual audit commencing with the audit for the District fiscal year ended September 30, 2007 to certain information repositories as described therein.

## **EXPERTS AND CONSULTANTS**

The references herein to McCranie & Associates, Inc., as the District Engineer have been approved by said firm. The Capital Improvement Program prepared by such firm relating to the 2007 Project has been included as Appendix A attached hereto in reliance upon such firm as an expert in engineering and construction cost estimating. 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. The District Engineer also serves as the Developer's engineer.

The references herein to Governmental Management Services, LLC, as Financial Consultant have been approved by said firm. The Assessment Report prepared by such firm relating to the 2007 Project has been included in 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 Bond Counsel, Issuer's Counsel, the Financial 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 2007 Bonds. Except for the payment of fees to District Counsel and the Financial Consultant, the payment of the fees of the other professionals retained by the District are each contingent upon the issuance of the 2007 Bonds.

## **NO RATINGS OR CREDIT ENHANCEMENT**

No application for a rating or credit enhancement on the 2007 Bonds has been made, nor is there any reason to believe that the District would have been successful in obtaining an investment grade rating or credit enhancement for the 2007 Bonds had application been made.

## **DISCLOSURE OF MULTIPLE ROLES**

Governmental Management Services, LLC, is serving both as Financial Consultant to the District and also as District Manager.

## **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 2007 Bonds.

The information and expression of opinion herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the District, the Developer or the Development from the date hereof. However, certain parties to the transaction will, on the closing date of the 2007 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 contains an untrue statement of a material fact or omits 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 2007 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 foregoing statements.

**AMELIA CONCOURSE COMMUNITY  
DEVELOPMENT DISTRICT**

By: /s/ Greg Matovina

Its: Chairman

**Appendix A**

**District Improvement Plan and  
Engineer's Report for the 2007 Project**

[THIS PAGE INTENTIONALLY LEFT BLANK]

**Amelia Concourse  
Community Development District**

**Engineers Report**

*Prepared for:*

Amelia Concourse Community Development District  
Board of Supervisors

*Prepared by:*



McCranie & Associates, Inc.  
Daniel I. McCranie, P.E.

August 24, 2006  
Revised, May 8, 2007

## INTRODUCTION

The Amelia Concourse Community Development District (the "District"), encompasses approximately 200 acres within the unincorporated area of the Eastern part of Nassau County, Florida. The District was established for the purpose of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for the community development within the District. The District is located in Parts of Section 30, Township 2 North, Range 27 East. The District is currently bounded to the north by the Amelia National single-family development, to the east by Timberlake single-family development, vacant parcels and wetlands to the south and Hampton Lakes (aka Amelia Walk) single-family development to the west. Access to the District is via the Amelia Concourse roadway approximately two miles south of State Road 200/Highway A1A ("A1A"). The District lies approximately half way between I-95 and the Intercoastal Waterway. **Exhibit 1** represents a Vicinity Map showing the location of the development and the adjacent roads and cities and **Exhibit 2** is an enlarged Location Map of the same area. **Exhibit 3** is a survey and legal description of the District.

Amelia Concourse Development, LLC, the developer of the project, plans for the District to include approximately 458 single-family homes. The community also includes a community recreation area. **Exhibit 4** is a site plan of the community showing its proposed layout.

The project is being developed in three (3) Phases. The first phase of development includes the infrastructure for the first phase (approximately 133 lots), and the recreation area. Each additional phase will complete its portion of the infrastructure. The timing of the infrastructure improvements for the remaining phases will be based on the rate of absorption. Phases 2 and 3 will be able to be developed after Phase 1 is constructed. Phase 1 does not rely on any portion of Phases 2 or 3.

All the offsite and onsite infrastructure and subdivision improvements have been designed to accommodate the project at build out as well as to conform to Nassau County's plans, rules and regulations for the area.

## GOVERNMENT ACTIONS

Permitting for the improvements for Phase 1 is complete, along with the overall permitting of most of the remainder of the project. **Table 1** is a list of all of the development permits applied for and received to date. Jurisdictional wetland delineation for the entire District has been completed and accepted by the St. Johns River Water Management District (SJRWMD). SJRWMD permits and construction plan approval from Nassau County are approved. All applicable zoning, vesting and concurrency approvals are in place. The first phase infrastructure construction began in April 2006. The JEA has issued a water and sewer availability letter indicating the availability of water and sewer to serve the entire community. The remaining permitting is ongoing and there are no foreseeable issues that would hinder the ability to obtain these permits.

**Table 1**

*Summary of Development Permits*

<b>Regulatory Agency</b>	<b>Type of Permit</b>	<b>Permit No.</b>	<b>Status</b>
St. Johns River WMD	Environmental Resource Permit – Phase 1, 2 and 3	40-089-92522-3	Approved 11/16/2004
Nassau County	Phase 1 Development Plans	SP04-035	Approved 05/17/2005
Nassau County	Phase 2 Development Plans	SP05-031	Pending *06/15/2007
Nassau County	Phase 3 Development Plans	SP	Pending *12/15/2007
U.S. Army Corps of Engineers	Wetland Impact – Phases 1, 2 & 3	SAJ – 2004-10791-BAL	Approved 06/12/2006
Dept. of Environmental Protection	Potable Water System Construction Permit – Phase 1 2 & 3	0083071-104-DS	Approved 08/21/2006
Dept. of Environmental Protection	Waste Water System Construction Permit – Phase 1, 2 & 3	0003013-082-DWC	Approved 08/20/2006

\* These are anticipated dates and are subject to change.

It is my opinion that there are no technical reasons existing at this time which would prohibit the implementation of the plans for the District as presented in the summary of statutory items estimated project cost, subject to, continued compliance with all County requirements and permit issuance.

**STORMWATER MANAGEMENT SYSTEM**

The design criteria for the District's stormwater management system are regulated by the St. Johns River Water Management District (SJRWMD). The District is located in the Nassau River drainage basin. The pre-development site runoff and water management conditions have been examined, modeled, and accepted by the SJRWMD. The existing onsite natural occurring wetlands have been delineated and verified by SJRWMD.

The stormwater management plan for the district focuses on utilizing newly constructed ponds, in upland areas, for stormwater treatment in conjunction with the natural occurring wetlands. The natural occurring wetlands and lake system account for approximately 35.5% of the District's land area.

The District's objectives for the stormwater management system are:

1. Provide stormwater quality treatment, storage, and conveyance.
2. To adequately protect development within the District from regulatory-defined rainfall events.
3. To maintain wetland hydro periods
4. To insure that adverse stormwater impacts do not occur upstream or downstream as a result of the development.
5. To satisfactorily accommodate stormwater runoff from adjacent off-site areas which naturally drain through the District.
6. To preserve the function of the floodplain storage during the 100-year storm event.

The stormwater collection and overflow systems will be a combination of curb inlets, pipe culverts, control structures and open waterways. Wetland hydro periods (normal pool and season high water elevations) will be maintained through proper design and maintenance of the overflow control structures. The stormwater management system for future subdivision development will be installed as each phase is developed. The first phase of the stormwater management system is designed to operate efficiently and is not dependent on any infrastructure improvements included as part of the second phase of development.

### **WETLANDS MITIGATION**

The proposed wetland mitigation consists of upland and wetland preservation in accordance with the permit requirements from the St. Johns River Water Management District.

### **WASTEWATER COLLECTION SYSTEM**

The District lies within the unincorporated area of Nassau County and the JEA provides the wastewater service. The District is in JEA's Nassau County Regional W.W.T.P. service area. In 2005, a wastewater application for component parts of the first phase of the utility system was submitted and approved by the JEA. The outstanding permits enforced today includes the infrastructure to handle all single family homes in the first phase of the development. The District's onsite sanitary sewer system will consist of 8" and 10" gravity sewer lines with appurtenant manholes and one (1) pumping stations. For the first phase of development, the District will install approximately six hundred and forty feet (640) of 8" force main to connect with the existing JEA force main lying in the Amelia Concourse right-of-way. The subsequent phases of development will include extending the system onsite to serve the remaining phases. The wastewater service for the first phase of development includes one (1) pump stations along with appurtenant collection lines, manholes and force mains located within the right-of-ways. The first phase of the wastewater collection system is designed to operate efficiently and is not dependent on any infrastructure improvements included as part of the second phase of development.

## **POTABLE WATER DISTRIBUTION SYSTEM**

The District lies within the unincorporated area of Nassau County and the JEA provides the potable water service. The District is served by a connection with the existing JEA water main in the Amelia Concourse right-of-way with water supplied by the Nassau Water Treatment Facility. The water distribution systems will consist of 10", 8", 6", and 4" water mains with appurtenant valves and fire hydrants. The first phase of the potable water distribution system is designed to operate efficiently and is not dependent on any infrastructure improvements included as part of the remaining phases of development.

## **ROADWAYS**

Primary vehicular access to the District is provided from the Amelia Concourse with the construction of Daisy Lane providing a two (2) lane, unloaded access road with a median at the entrance. Secondary vehicular access to the District is provided with the construction of Bellflower Way providing a two (2) lane, unloaded access road. Amelia Concourse is a four-lane divided County road. The Amelia Concourse runs south from A1A along a portion of the northern boundary of the District. The development plan allows for three access points along the Amelia Concourse. The internal road design for the District complies with the Nassau County transportation road circulation design criteria. In the first phase of the development, Daisy Lane, along with the other local streets, will provide access from each lot to the Amelia Concourse. Daisy Lane will be irrigated and landscaped and will have underground electric, streetlights and sidewalks. The District's major entrance features and landscaping are part of the first phase of development.

By Nassau County Resolution No. 2003-109 and Resolution No. 2003-141, The Nassau County Board of County Commissioners created a municipal service benefit unit (MSBU) known as the Amelia Concourse Assessment Area (Assessment Area) for the purpose of funding the construction of Amelia Concourse roadway (Improvements) to improve access to the properties located within the boundaries of the Assessment Area. Improvement assessments were determined and imposed on properties within the Assessment Area beginning in November 2004 and continuing for a period of ten (10) years. It was determined in mid-2005 that the bonds issued by the MSBU did not provide sufficient funding for the Improvements. The landowners within the Assessment Area entered into a Contribution Agreement on August 19, 2005 (OR Book 1344/Pg 1493-1556) to pay its own prorata share of the costs and expenses above the revenue inflows from the Bonds based upon the number of ERU's assigned to each landowner. The Amelia Concourse Community Development District may prepay the remaining capital contribution related to the Bonds, and may pay the additional construction contribution. This item has been added to the phase 1 roadway line item as shown in **Table 2**.

## **RECREATION AREA**

The recreation area is a one-acre site located within the District and is being constructed in one phase. The recreation area plan consists of a clubhouse, swimming pool, parking lot, and playground.

**ENTRANCE FEATURES, LANDSCAPING AND PERIMETER FENCING AND BUFFERING**

The District will include signage and landscape features at the entrance of the District at the intersection of Daisy Lane and Amelia Concourse. Daisy Lane will be heavily landscaped on both sides of the roadway.

**PROJECT COSTS**

The Summary of Statutory Items Estimated Project Costs detailed in **Table 2** outlines the anticipated costs associated with the construction of the District's infrastructure. The costs associated with the first phase's infrastructure include professional services, roadways and sidewalks, storm sewer system, potable water system, sanitary sewer system, underground utilities, entrance features, landscaping, perimeter buffering, and the recreation area.

**Table 2**

*Summary of Estimated Project Costs*

<b>Category</b>	<b>Phase 1</b>	<b>Phase 2</b>	<b>Phase 3</b>	<b>Total</b>
<b>Clearing &amp; Grading</b>	\$ 1,180,000	\$ 1,180,000	\$ 1,368,800	\$ 3,728,800
<b>Roadway</b>	\$1,896,800	\$ 489,600	\$ 558,000	\$ 2,944,400
<b>Stormwater</b>	\$ 345,000	\$ 340,000	\$ 387,500	\$ 1,072,500
<b>Water</b>	\$ 414,000	\$ 408,000	\$ 465,000	\$ 1,287,000
<b>Sewer</b>	\$ 658,500	\$ 442,000	\$ 503,750	\$ 1,604,250
<b>Community Recreation</b>	\$1,750,000			\$ 1,750,000
<b>Landscaping, Entry Monuments &amp; Signs</b>	\$ 400,000			\$ 400,000
<b>Engineering/ Permitting</b>	\$ 458,000			\$ 458,000
<b>Total</b>	\$ 7,102,300	\$ 2,859,600	\$ 3,283,050	\$ 13,244,950

## SUMMARY AND CONCLUSION

The infrastructure, as outlined above, is necessary for the functional development of the District as required by the applicable independent unit of local government. The planning and design of the infrastructure is in accordance with current governmental regulatory requirements. The infrastructure will provide their intended function so long as the construction is in substantial compliance with the design and permits.

Items of construction in this report are based on current plan quantities for the infrastructure construction as shown on the approved constructed drawings and specifications, last revision.

It is my professional opinion that the infrastructure costs provided herein for the District improvements are reasonable to complete the construction of the infrastructure described herein and that these infrastructure improvements will benefit and add value to the District. All such infrastructure costs are public improvements or community facilities as set forth in Section 190.012 (1) and (2) of the Florida Statutes.

The estimate of the master infrastructure construction costs is composed of estimates or established contractual amounts and is not a guaranteed maximum price. The estimated cost is based on unit prices currently being experienced for ongoing and similar items of work in Nassau County and quantities as represented on the construction plans. The labor market, future costs of equipment and materials, and the actual construction process are all beyond my control.

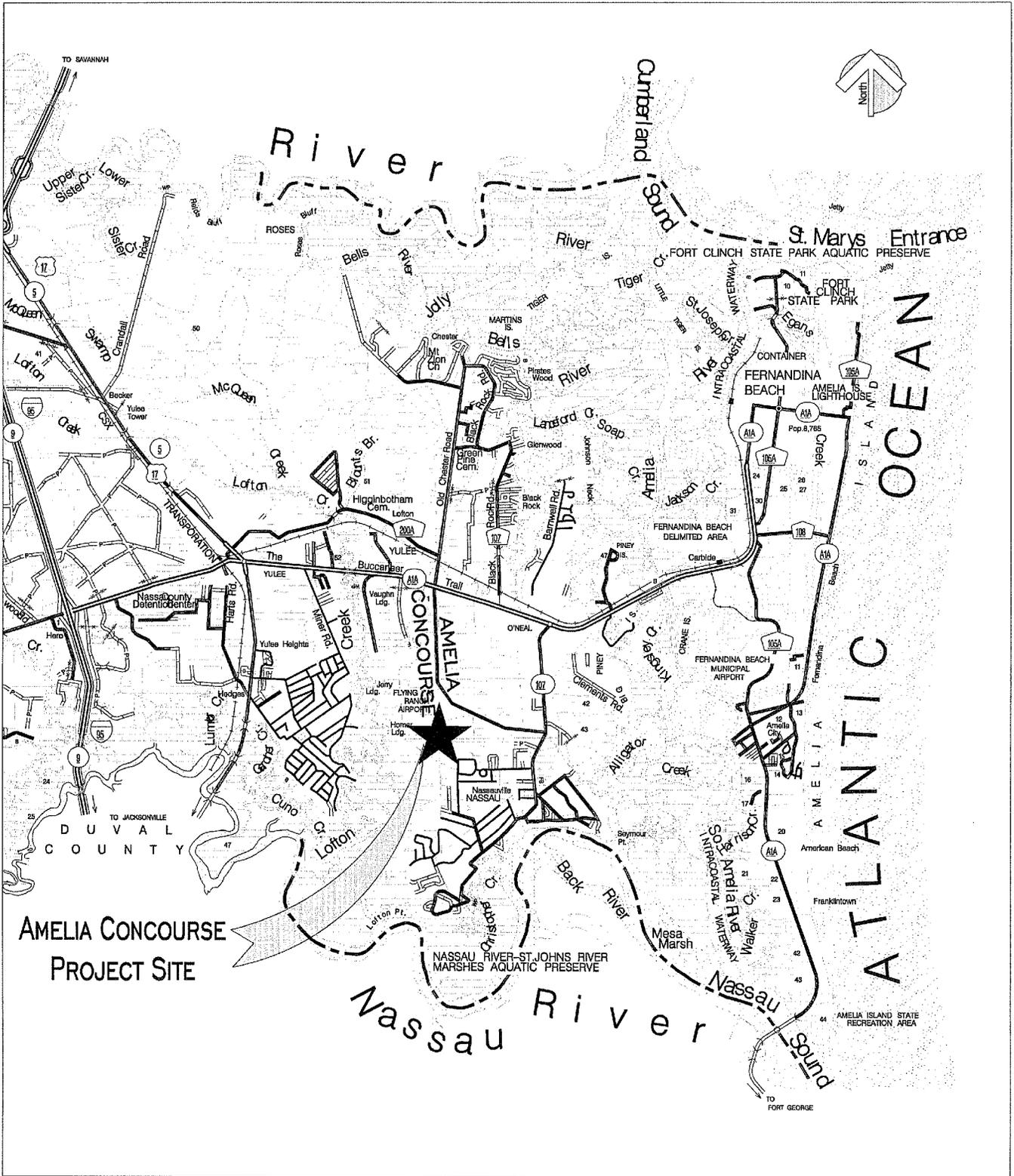
Due to this inherent opportunity for fluctuation in cost, the total final cost may be more or less than this estimate.

The professional service for establishing the opinion of estimated construction costs are consistent with the degree of care and skill exercised by members of the same profession under similar circumstances.

## **Appendix A**

### *Description*

- Exhibit 1. Vicinity Map
- Exhibit 2. Location Map
- Exhibit 3. District Legal Boundary and Description
- Exhibit 4. Community Development Map



**AMELIA CONCOURSE  
PROJECT SITE**



**McCranie & Associates, Inc.**

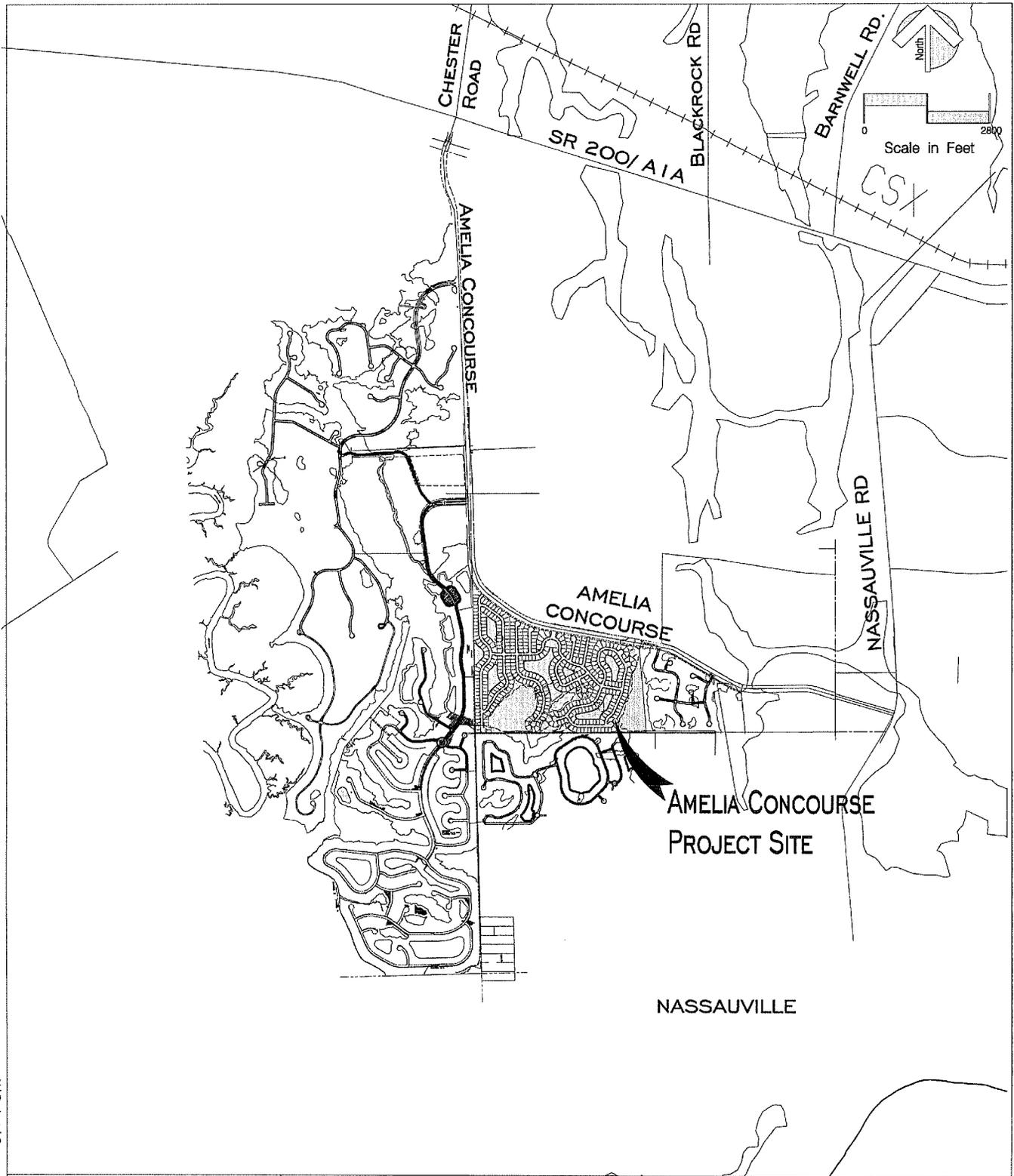
55002 CHRISTIAN WAY, YULEE, FL 32097

**VICINITY MAP**

**AMELIA CONCOURSE, CDD**

**AMELIA CONCOURSE DEVELOPMENT, LLC**

**EXHIBIT I**



N:\Projects\Concourse\Design\CDD\CDD location.dgn



**McCranie & Associates, Inc.**

88002 CHRISTIAN WAY, TULSA, FL 32097

**LOCATION MAP**

**AMELIA CONOURSE CDD  
AMELIA CONOURSE DEVELOPMENT, LLC**

**EXHIBIT 2**

ALL THAT CERTAIN TRACT OR PARCEL OF LAND LYING IN SECTION 30, TOWNSHIP 2 NORTH, RANGE 28 EAST, NASSAU COUNTY, FLORIDA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: FOR A POINT OF REFERENCE COMMENCE AT THE NORTHWEST CORNER OF SECTION 32, TOWNSHIP 2 NORTH, RANGE 28 EAST, NASSAU COUNTY, FLORIDA SAID POINT LYING ON THE SOUTHERLY LINE OF LANDS NOW OR FORMERLY OF ROBERT A. MARINO AND SOOK MARINO (ACCORDING TO DEED RECORDED IN BOOK 933, PAGE 803 OF THE OFFICIAL RECORDS OF SAID COUNTY); RUN THENCE SOUTH 89°-38'-10" WEST, ALONG THE SOUTHERLY LINE OF LAST MENTIONED LANDS, A DISTANCE OF 1513.44 FEET TO THE SOUTHWEST CORNER THEREOF AND THE POINT OF BEGINNING, SAID POINT ALSO LYING ON THE NORTHERLY LINE OF LANDS NOW OR FORMERLY OF LOUISE WILLIAMS (ACCORDING TO DEED RECORDED IN BOOK 548, PAGE 805 OF THE OFFICIAL RECORDS OF SAID COUNTY).

FROM THE POINT OF BEGINNING THUS DESCRIBED CONTINUE SOUTH 89°-38'-10" WEST ALONG THE NORTHERLY LINE OF LAST MENTIONED LANDS, A DISTANCE OF 3771.54 FEET TO THE SOUTHWESTERLY CORNER OF SAID SECTION 30; RUN THENCE NORTH 01°-14'-16" WEST, ALONG THE WESTERLY SECTION OF LINE OF SAID SECTION 30, A DISTANCE OF 3420.44 FEET TO A POINT ON A NON-TANGENT CURVE; RUN THENCE IN A SOUTHEASTERLY DIRECTION ALONG THE ARC OF A CURVE, SAID CURVE BEING CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 1104.93 FEET, A CHORD DISTANCE OF 577.66 FEET TO THE POINT OF TANGENCY OF SAID CURVE, THE BEARING OF THE AFOREMENTIONED CHORD BEING SOUTH 38°-50'-48" EAST; RUN THENCE SOUTH 54°-00'-00" EAST, A DISTANCE OF 550.61 FEET TO A POINT OF CURVATURE; RUN THENCE IN A SOUTHEASTERLY DIRECTION ALONG THE ARC OF A CURVE, SAID CURVE BEING CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 2059.86 FEET, A CHORD DISTANCE OF 926.74 FEET TO THE POINT OF TANGENCY OF SAID CURVE, THE BEARING OF THE AFOREMENTIONED CHORD BEING SOUTH 67°-00'-00" EAST; RUN THENCE SOUTH 80°-00'-00" EAST, A DISTANCE OF 2049.03 FEET TO A POINT ON THE WESTERLY LINE OF THE AFOREMENTIONED LANDS NOW OR FORMERLY OF ROBERT A. MARINO AND SOOK MARINO (ACCORDING TO DEED RECORDED IN BOOK 933, PAGE 803 OF THE OFFICIAL RECORDS OF SAID COUNTY); RUN THENCE SOUTH 05°-00'-00" EAST, ALONG THE WESTERLY LINE OF LAST MENTIONED LANDS, A DISTANCE OF 1911.51 FEET TO THE POINT OF BEGINNING.

THE LAND THUS DESCRIBED CONTAINS 199.83 ACRES, MORE OR LESS, AND IS SUBJECT TO ANY EASEMENTS OF RECORD THAT LIE WITHIN.

N:\Projects\Concourse\Design\CDD\CDD location.dwg



McCranie & Associates, Inc.

8000 Chestnut Way, Tallahassee, FL 32307

DISTRICT LEGAL BOUNDARY  
AND DESCRIPTION  
AMELIA CONCOURSE, CDD  
AMELIA CONCOURSE, LLC

EXHIBIT 3



## **Appendix B**

### **Assessment Methodology Report**

[THIS PAGE INTENTIONALLY LEFT BLANK]

**Amelia Concourse  
Community Development District  
Nassau County, Florida**

**Special Assessment Methodology Report  
Final Numbers**

**July 13, 2007**

**Prepared by**

**Governmental Management Services, LLC**

## Table of Contents

<b>1.0</b>	<b>Introduction</b>	
1.1	Purpose .....	1
1.2	Scope of the Report .....	1
1.3	Special and General Benefits .....	1
1.4	Organization of this Report .....	2
<b>2.0</b>	<b>Development Program for Amelia Concourse CDD</b>	
2.1	Overview .....	3
2.2	The Development Program .....	3
<b>3.0</b>	<b>The Capital Improvement Program for Amelia Concourse CDD</b>	
3.1	Engineering Report .....	3
3.2	Capital Improvement Program.....	3
<b>4.0</b>	<b>Financing Program for Amelia Concourse CDD</b>	
4.1	Overview .....	4
4.2	Type of Special Assessment Bonds Proposed .....	4
<b>5.0</b>	<b>Assessment Methodology</b>	
5.1	Overview .....	5
5.2	Assigning Debt .....	6
5.3	Lienability Test: Special and Peculiar Benefit to the Property ...	7
5.4	Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay .....	8
5.5	True-Up Mechanism .....	8
<b>6.0</b>	<b>Appendix</b>	
	Table 1 Land Use	
	Table 2 Infrastructure Cost Estimates	
	Table 3 Capital Improvement Revenue Bonds Series 2007	
	Table 4 Determination of Benefit and Debt Allocation	
	Table 5 Preliminary Assessment Roll	

## **1.0 Introduction**

### **1.1 Purpose**

This report provides a methodology for allocating the proposed debt to be incurred by the Amelia Concourse Community Development District (“Amelia Concourse CDD” or “District”) to properties in the District and for allocating the initial par amount of bonds being issued by the District to fund the infrastructure improvements. The District’s debt will fund infrastructure improvements that will allow the development of the property in the District. The methodology allocates this debt to properties based upon the special benefits each receives from the infrastructure program. In this case the property located within the District includes approximately 200 acres located in Nassau County Florida. This report is designed to conform to the requirements of Chapters 190 and 170, Florida Statutes with respect to special assessments and is consistent with our understanding of the case law on this subject.

### **1.2 Scope of the Report**

This Report presents the master projections for financing the District’s capital requirements necessary to provide the community infrastructure improvements described in the District Engineer’s Report developed by McCranie & Associates, Inc. The Report also describes the apportionment of benefits and special assessments resulting from the provision of improvements to the lands within the District.

### **1.3 Special Benefits and General Benefits**

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

However, as discussed within this report, these general benefits are incidental in nature and are readily distinguishable from the special and peculiar benefits, which accrue to property within the District. The infrastructure program of the District enables properties within its boundaries to be developed. Without the District's program, there would be no infrastructure to support development of land within the District. Without these improvements, state law would prohibit development of property within the District.

There is no doubt that the general public, property owners, and property outside the District will benefit from the provision of District infrastructure. However, these are incidental to the District's infrastructure program, which is designed solely to provide special benefits peculiar to property within the District. Properties outside the District do not depend upon the District's Capital Improvement Program as defined herein to obtain, or to maintain their development entitlements. This fact alone clearly distinguishes the special benefits which District properties receive compared to those lying outside of the District's boundaries. Even though the exact value of the benefits provided by the District's Capital Improvement program is difficult to estimate at this point, it is nevertheless greater than the costs associated with providing same.

#### **1.4 Organization of this Report**

*Section Two* describes the development program as proposed by the Developer.

*Section Three* provides a summary of the Capital Improvement Program for the District as determined by the District Engineer.

*Section Four* discusses the financing program for the District.

*Section Five* introduces the Assessment Methodology.

## **2.0 Development Program for Amelia Concourse CDD**

### **2.1 Overview**

The Amelia Concourse CDD is comprised solely of single family residential units located within Nassau County. The proposed land use within the District is consistent with Nassau Counties Florida Land Use and Comprehensive Plans.

### **2.2 The Development Program**

The Amelia Concourse Community Development District consists of approximately 199.83 acres in Nassau County. The Development will consist of approximately 458 residential single family units.

## **3.0 The Capital Improvement Program for Amelia Concourse CDD**

### **3.1 Engineering Report**

The infrastructure costs to be funded by the Amelia Concourse CDD are determined by the District Engineer in his District Engineer's Report. Only infrastructure that may qualify for bond financing by the District under Chapter 190, Florida Statutes, was included in these estimates.

### **3.2 Capital Improvement Program**

The proposed infrastructure improvements to serve the development consist of certain roadway improvements, potable water/wastewater improvements, stormwater improvements, landscaping / entry features/ monuments/ signs, engineering/permitting and community recreation improvements (the "Capital Improvement Program" or CIP). The community infrastructure which will be constructed will represent a system of improvements that irrespective of certain exceptions described further in Section 5.1 of this Report, will provide benefits to all lands within the District.

The total costs for the public infrastructure that will be provided by the District also include the costs for design, permitting and contingencies. At the time of this writing, the total costs of the District's Capital Improvement Program according to the District Engineer's Report were projected at \$13,244,950.

## **4.0 Financing Program for Amelia Concourse CDD**

### **4.1 Overview**

As noted above, the District is embarking on a program of capital improvements, which will facilitate the development of lands within the District. Construction of certain improvements of the infrastructure may be funded by the Developer and acquired by the District under an agreement between the District and the Developer, or may be funded directly by the District.

It is currently contemplated that the District will finance its capital improvements with Special Assessment Bonds and Developer contributions. The financing plan for the District is to issue Special Assessment Bonds in the principal amount of \$7,350,000 to fund a portion of the District's Capital Improvement Program, as shown in Table 2. Developer contributions of \$7,193,001 will fund the remaining costs of the CIP.

### **4.2 Types of Special Assessment Bonds Proposed**

Special Assessment Bonds assume a delivery date of July 26, 2007 and have their interest payments capitalized through November 1, 2008. Special Assessment Bonds will be repaid with thirty principal installments commencing on May 1, 2009 with interest paid every May and November 1 commencing November 1, 2007.

As projected in the current master financing plan, in order to finance a portion of the District's CIP, the District will need to potentially incur indebtedness in the total amount of \$7,350,000.

The difference is comprised of costs of issuance including underwriter's discount and professional fees associated with debt issuance, capitalized interest costs as the District will be borrowing funds with which it will pay the early interest payments, and debt service reserve.

Preliminary sources and uses of funding, capitalized interest calculations are presented in Table 3 in the Appendix.

## **5.0 Assessment Methodology**

### **5.1 Overview**

Special Assessment Bonds provide the District with funds to conduct the CIP outlined in *Section 3.2*. These improvements lead to special and general benefits, with special benefits accruing generally to the properties within the boundaries of the District and general benefits accruing to areas outside the District and being only incidental in nature. The debt incurred in financing infrastructure construction will be paid off by assessing properties that derive special and peculiar benefits from the proposed projects. All properties that receive special benefits from the District's improvement program will be assessed.

## **5.2 Assigning Debt**

The current development plan for the District projects construction of infrastructure for 458 single family units.

The infrastructure provided by the District will include roadway improvements, potable water/wastewater improvements, stormwater improvements, landscaping/entry features/monuments/signs, engineering/permitting and community recreation. All development within the District will benefit from all infrastructure improvement categories, as the improvements provide basic infrastructure to all lands within the District and benefit all lands within the District as an integrated system of improvements. Benefited units will be based on a per lot basis.

As the provision of the above listed improvements by the District will make the lands in the District developable, the land will become more valuable to their owners. The increase in the value of the land provides the logical benefit of improvements that accrues to the developable parcels within the District.

Initially, the assessments will be levied on all assessable lands within the CDD based on the approved site plan on an equal acreage basis within each parcel, because at that juncture, every acre benefits equally from the Program.

The debt incurred by the District to fund the Program is allocated to the properties receiving special benefits on the basis of development intensity and density. The responsibility for the repayment of the District's debt through assessments will ultimately be distributed in proportion to the special benefit peculiar to the land within the District, as it may be classified within each of the land use categories. For the purpose of determining the special benefit accruing to the lands within Amelia Concourse CDD, the proposed public infrastructure improvement costs have been allocated to each land use on a per lot basis.

### **5.3 Lienability Test: Special and Peculiar Benefit to the Property**

As first discussed in Section 1.3, Special Benefits and General Benefits, improvements undertaken by the District create special and peculiar benefits to certain properties within the District. District's improvements benefit properties within the district and accrue to all assessable properties on a per lot basis.

Improvements undertaken by the District can be shown to be creating special and peculiar benefits to the property. The special and peculiar benefits resulting from each improvement undertaken by the District are:

- a. Roadway Improvements result in special and peculiar benefits such as the added use of the property, added enjoyment of the property, and likely increased marketability of the property.
- b. Utility – Potable Water/Wastewater Improvements result in special and peculiar benefits such as the added use of the property, added enjoyment of the property, and likely increased marketability and value of the property.
- c. Stormwater Improvements result in special and peculiar benefits such as the added enjoyment of the property, and likely increased marketability and value of the property.
- d. Landscaping / Entry Features/ Monuments / Sign Improvements result in special and peculiar benefits such as the added use of the property, added enjoyment of the property, and likely increased marketability of the property.
- e. Community Recreation Improvements result in special and peculiar benefits such as the added enjoyment of the property, and likely increased marketability and value of the property. Additionally, such improvements can eliminate the need for such improvements on individual lots.

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

#### **5.4 Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay**

A reasonable estimate of the proportion of special and peculiar benefits received from the Improvements is delineated in Table 4 (expressed as Allocation of Total Par Debt).

The determination has been made that the duty to pay the non-ad valorem special assessments is fairly and reasonably apportioned because the special and peculiar benefits to the property derived from the acquisition and or construction of the District's improvements (and the concomitant responsibility for the payment of the resultant and allocated debt) have been apportioned to the property according to reasonable estimates of the special and peculiar benefits provided consistent with the land use.

Accordingly, no acre or parcel of property within the boundaries of the District will be liened for the payment of any non-ad valorem special assessment more than the determined special benefit peculiar to that property. Further, the debt allocation will not be affected.

In accordance with the benefit allocation in Table 4, Total Par Debt has been calculated on a per lot basis. This amount represents the preliminary anticipated per lot debt allocation assuming all lots are platted in the planned development and the entire proposed infrastructure program is developed or acquired and financed by the District.

#### **5.5 True-Up Mechanism**

In order to assure that the District's debt will not build up on the unsold acres, and to assure that the requirements that the non-ad valorem special assessments will be constitutionally lienable on the property will continue to be met, the District shall determine the following:

To assure that there will always be sufficient development potential remaining in the undivided property to assure payment of debt service after a plat or site plan approval, the following test will be applied. The test is that the debt per acre remaining on the unplatted land is never allowed to increase above its maximum debt per acre level. Initially, the maximum level of debt per acre is calculated as the total amount of debt for the District's improvement program divided by the number of developable acres in the District. In this case, it is \$7,350,000 divided by 104.83 net assessable acres equaling \$70,114 per acre. Thus if the initial debt level is \$70,114 per acre, every time a plat or site plan approval is presented, the debt on the land remaining after the plat or site plan approval must remain at or below \$70,114 per acre. If not, then in order for the Developer to receive a plat or site plan approval from Nassau County, the Developer agrees that the District will require a density reduction payment so that the \$70,114 per acre debt level is not exceeded.

**TABLE 1**  
**Amelia Concourse CDD**  
**Land Use**

<b>Land Use</b>	<b>Land Size (Gross Acres)</b>	<b>Percent of Total</b>
<b>Residential Single / Multi Family</b>	<b>104.83</b>	<b>52.46%</b>
<b>Right of Way</b>	<b>26.41</b>	<b>13.22%</b>
<b>Parks, Open Space, Wetlands</b>	<b>68.59</b>	<b>34.32%</b>
<b>TOTAL</b>	<b>199.83</b>	<b>100%</b>

Provided by: McCranie & Associates, Inc.

Prepared By

Governmental Management Services, LLC

<b>TABLE 2</b> <b>Amelia Concourse CDD</b> <b>Infrastructure Cost Estimates in \$\$</b>
---

IMPROVEMENT CATEGORY	TOTAL OPINION OF COSTS
Roadway Improvements	\$6,673,200
Utilities- Potable Water/WW	\$2,891,250
Landscaping/Entry Features/Monuments/Signs	\$400,000
Stormwater	\$1,072,500
Community Recreation	\$1,750,000
Engineering/Permitting	\$458,000
<b>Total Improvements</b>	<b>\$13,244,950</b>

Bond Financing		\$6,051,949
Developer Contributions		\$7,193,001
Total		\$13,244,950

Provided By: McCranie & Associates, Inc.

Prepared By  
Governmental Management Services, LLC

<b>TABLE 3</b> <b>Amelia Concourse CDD</b> <b>Revenue Bonds Series 2007</b>
---

	<b>Par Amount of Bonds Total</b>
Construction / Acquisition Requirements	\$6,051,949
Debt Service Reserve (1)	\$516,438
Capitalized Interest (2)	\$496,363
Cost of Issuance (3)	\$285,250
Total Par	<b>\$7,350,000</b>

Principal Amortization Installments	30
Bond Rate (%)	5.75%
Final Maturity	5/1/2038
Par Amount	\$7,350,000
Maximum Annual Debt Service	\$516,438

- (1) Based on maximum annual debt service.
- (2) Interest capitalized through the November 1, 2008 interest payment.
- (3) Includes Underwriter's Discount, original issue discount.

Provided by: Banc of America Securities, LLC

Prepared By

Governmental Management Services, LLC

TABLE 4  
 AMELIA CONCOURSE CDD  
 DETERMINATION OF BENEFIT & DEBT ALLOCATION  
 LAND USE

Land Use	No. of Units (1)	ERU's Benefit Per Unit	Total ERU's	Allocation of Construction Costs/ Benefit	Construction Costs/ Benefit Per Unit	Allocation of Total Par Debt	Maximum Par Debt Per Unit	Allocation of Maximum Annual Debt Service	Annual Debt Service Per Unit (2)
Single Family - Residential	458	1	458.00	\$13,244,950	\$28,919	\$7,350,000	\$16,048	\$516,438	\$1,200

(1) Preliminary and subject to change.

(2) Includes gross-up provision for 2% collection costs and 4% maximum discount provided by Florida Statutes.

Prepared By : Governmental Management Services, LLC

**TABLE 5**  
**Amelia Concourse CDD**  
**Preliminary Assessment Roll**

Folio Numbers	Assessable Acres	Total Par Debt	Total Par Debt per Acre	Maximum Annual Debt Service (1)	Current Owner (2)
R-30-2N-28-0000-0001-0040	104.83	\$7,350,000	\$70,114	\$549,387	

(1) Annual Assessments shown will be grossed-up a total of 6% for early payment discounts (4%) and collections (2%).

(2) All property is currently owned by Amelia Concourse Develop LLC

Prepared By: Governmental Management Services, LLC

## **Appendix C**

### **Form of the Master Trust Indenture and First Supplemental Trust Indenture**

[THIS PAGE INTENTIONALLY LEFT BLANK]

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS

SECTION 101. MEANING OF WORDS AND TERMS ..... 4  
 SECTION 102. RULES OF CONSTRUCTION ..... 19

ARTICLE II

FORM, EXECUTION, DELIVERY AND DESIGNATION OF BONDS

SECTION 201. ISSUANCE OF BONDS ..... 20  
 SECTION 202. DETAILS OF BONDS ..... 20  
 SECTION 203. EXECUTION AND FORM OF BONDS ..... 21  
 SECTION 204. NEGOTIABILITY, REGISTRATION AND TRANSFER OF BONDS ..... 22  
 SECTION 205. OWNERSHIP OF BONDS..... 22  
 SECTION 206. SPECIAL OBLIGATIONS..... 23  
 SECTION 207. AUTHORIZATION OF BONDS..... 23  
 SECTION 208. TEMPORARY BONDS ..... 25  
 SECTION 209. MUTILATED, DESTROYED OR LOST BONDS ..... 25  
 SECTION 210. PARI PASSU OBLIGATIONS UNDER CREDIT AGREEMENTS ..... 26  
 SECTION 211. BOND ANTICIPATION NOTES ..... 26  
 SECTION 212. TAX STATUS OF BONDS ..... 27

ARTICLE III

REDEMPTION OF BONDS

SECTION 301. REDEMPTION GENERALLY..... 27  
 SECTION 302. NOTICE OF REDEMPTION; PROCEDURE FOR SELECTION ..... 28  
 SECTION 303. EFFECT OF CALLING FOR REDEMPTION ..... 30  
 SECTION 304. CANCELLATION ..... 30

ARTICLE IV

ACQUISITION AND CONSTRUCTION FUND

SECTION 401. ACQUISITION AND CONSTRUCTION FUND ..... 30  
 SECTION 402. PAYMENTS FROM ACQUISITION AND CONSTRUCTION FUND ..... 30

i

MASTER TRUST INDENTURE  
 AMELIA CONCOURSE  
 COMMUNITY DEVELOPMENT DISTRICT

TO

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

Dated as of July 1, 2007

SECTION 403. COST OF PROJECT ..... 31  
 SECTION 404. DISPOSITION OF BALANCES IN ACQUISITION AND CONSTRUCTION FUND ..... 33

ARTICLE V

ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

SECTION 501. LIEN ..... 33  
 SECTION 502. ESTABLISHMENT OF FUNDS AND ACCOUNTS ..... 34  
 SECTION 503. ACQUISITION AND CONSTRUCTION FUND ..... 35  
 SECTION 504. REVENUE FUND AND SERIES REVENUE ACCOUNTS ..... 36  
 SECTION 505. DEBT SERVICE FUND AND SERIES DEBT SERVICE ACCOUNT ..... 37  
 SECTION 506. OPTIONAL REDEMPTION..... 40  
 SECTION 507. REBATE FUND AND SERIES REBATE ACCOUNTS ..... 43  
 SECTION 508. INVESTMENT OF FUNDS AND ACCOUNTS ..... 43  
 SECTION 509. DEFICIENCIES AND SURPLUSES IN FUNDS ..... 45  
 SECTION 510. INVESTMENT INCOME..... 46  
 SECTION 511. CANCELLATION OF THE BONDS ..... 47

ARTICLE VI

CONCERNING THE TRUSTEE

SECTION 601. ACCEPTANCE OF TRUST ..... 47  
 SECTION 602. NO RESPONSIBILITY FOR RECITALS ..... 47  
 SECTION 603. TRUSTEE MAY ACT ..... 47  
 SECTION 604. COMPENSATION AND INDEMNITY ..... 48  
 SECTION 605. NO DUTY TO RENEW INSURANCE ..... 49  
 SECTION 606. NOTICE OF DEFAULT; RIGHT TO INVESTIGATE ..... 49  
 SECTION 607. OBLIGATION TO ACT ON DEFAULT ..... 49  
 SECTION 608. RELIANCE BY TRUSTEE ..... 49  
 SECTION 609. TRUSTEE MAY DEAL IN BONDS ..... 50  
 SECTION 610. CONSTRUCTION OF AMBIGUOUS PROVISION ..... 50  
 SECTION 611. RESIGNATION OF TRUSTEE ..... 50  
 SECTION 612. REMOVAL OF TRUSTEE ..... 50  
 SECTION 613. APPOINTMENT OF SUCCESSOR TRUSTEE ..... 51  
 SECTION 614. QUALIFICATION OF SUCCESSOR TRUSTEE ..... 52  
 SECTION 615. INSTRUMENTS OF SUCCESSION ..... 52  
 SECTION 616. MERGER OF TRUSTEE ..... 52  
 SECTION 617. RESIGNATION OF PAYING AGENT OR BOND REGISTRAR ..... 53  
 SECTION 618. REMOVAL OF PAYING AGENT OR BOND REGISTRAR ..... 53

SECTION 619. APPOINTMENT OF SUCCESSOR PAYING AGENT OR BOND REGISTRAR ..... 53  
 SECTION 620. QUALIFICATIONS OF SUCCESSOR PAYING AGENT OR BOND REGISTRAR ..... 54  
 SECTION 621. ACCEPTANCE OF DUTIES BY SUCCESSOR PAYING AGENT OR BOND REGISTRAR..... 54  
 SECTION 622. SUCCESSOR BY MERGER OR CONSOLIDATION..... 54

ARTICLE VII

FUNDS CONSTITUTE TRUST FUNDS

SECTION 701. TRUST FUNDS..... 55

ARTICLE VIII

COVENANTS AND AGREEMENTS OF THE DISTRICT

SECTION 801. PAYMENT OF BONDS..... 56  
 SECTION 802. EXTENSION OF PAYMENT OF BONDS ..... 56  
 SECTION 803. FURTHER ASSURANCE..... 56  
 SECTION 804. POWER TO ISSUE BONDS AND CREATE A LIEN ..... 56  
 SECTION 805. POWER TO UNDERTAKE SERIES PROJECTS AND TO COLLECT PLEDGED REVENUE..... 57  
 SECTION 806. SALE OF SERIES PROJECTS ..... 57  
 SECTION 807. COMPLETION AND MAINTENANCE OF SERIES PROJECTS ..... 58  
 SECTION 808. ACCOUNTS AND REPORTS..... 58  
 SECTION 809. ARBITRAGE AND OTHER TAX COVENANTS ..... 59  
 SECTION 810. ENFORCEMENT OF PAYMENT OF ASSESSMENT ..... 60  
 SECTION 811. METHOD OF COLLECTION OF ASSESSMENTS AND BENEFIT SPECIAL ASSESSMENTS ..... 60  
 SECTION 812. DELINQUENT ASSESSMENT ..... 60  
 SECTION 813. DEPOSIT OF PROCEEDS FROM SALE OF TAX CERTIFICATES ..... 61  
 SECTION 814. SALE OF TAX DEED OR FORECLOSURE OF ASSESSMENT OR BENEFIT SPECIAL ASSESSMENT LIEN ..... 61  
 SECTION 815. OTHER OBLIGATIONS PAYABLE FROM ASSESSMENTS OR BENEFIT SPECIAL ASSESSMENTS..... 62  
 SECTION 816. RE-ASSESSMENTS..... 62  
 SECTION 817. GENERAL ..... 62  
 SECTION 818. SECONDARY MARKET DISCLOSURE..... 63

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

SECTION 901. EXTENSION OF INTEREST PAYMENT ..... 63
SECTION 902. EVENTS OF DEFAULT ..... 64
SECTION 903. ACCELERATION OF MATURITIES OF BONDS OF A SERIES UNDER CERTAIN CIRCUMSTANCES ..... 65
SECTION 904. ENFORCEMENT OF REMEDIES ..... 66
SECTION 905. PRO RATA APPLICATION OF FUNDS AMONG OWNERS OF A SERIES OF BONDS ..... 67
SECTION 906. EFFECT OF DISCONTINUANCE OF PROCEEDINGS ..... 69
SECTION 907. RESTRICTION ON INDIVIDUAL OWNER ACTIONS ..... 70
SECTION 908. NO REMEDY EXCLUSIVE ..... 70
SECTION 909. DELAY NOT A WAIVE ..... 70
SECTION 910. RIGHT TO ENFORCE PAYMENT OF BONDS ..... 70
SECTION 911. NO CROSS DEFAULT AMONG SERIES ..... 70
SECTION 912. INDEMNIFICATION ..... 70

ARTICLE X

EXECUTION OF INSTRUMENTS BY OWNERS AND PROOF OF OWNERSHIP OF BONDS

SECTION 1001. EXECUTION OF INSTRUMENTS BY OWNERS AND PROOF OF OWNERSHIP OF BONDS ..... 71
SECTION 1002. DEPOSIT OF BONDS ..... 71

ARTICLE XI

SUPPLEMENTAL INDENTURES

SECTION 1101. SUPPLEMENTAL INDENTURES ..... 72
SECTION 1102. SUPPLEMENTAL INDENTURES WITH OWNER CONSENT ..... 73
SECTION 1103. OPINION OF BOND COUNSEL WITH RESPECT TO SUPPLEMENTAL INDENTURE ..... 75
SECTION 1104. SUPPLEMENTAL INDENTURE PART OF INDENTURE ..... 75
SECTION 1105. INSURER OR ISSUER OF A CREDIT OR LIQUIDITY FACILITY AS OWNER OF BONDS ..... 75

MASTER TRUST INDENTURE

THIS IS A MASTER TRUST INDENTURE, dated as of July 1, 2007, by and between AMELIA CONCOURSE COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government organized and existing under the laws of the State of Florida (the "District"), and 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, with its designated corporate trust office and post office address located at 225 Water Street, 7th Floor, Jacksonville, Florida 32202, Attention: Corporate Trust Department.

WHEREAS, the District is a community development district duly organized and existing under the provisions of Chapter 190, Florida Statutes, as amended (the "Act"), for the purpose, among other things, of financing and managing the acquisition, construction, installation, maintenance, and operation of the major infrastructure within and without the boundaries of the District; and

WHEREAS, the District has the power and authority under the Act to issue special assessment bonds and revenue bonds and to use the proceeds thereof to finance the cost of acquiring and constructing assessable improvements (as defined in the Act) and, by virtue of Section 190.022 of the Act, to levy and collect special assessments therefor as provided in Chapter 170, Florida Statutes, as amended, and to levy and collect user charges and fees therefor as provided in Section 190.011, Florida Statutes, as amended; and

WHEREAS, the District has the power and authority under and by virtue of Section 190.021 of the Act to levy and collect Benefit Special Assessments (hereinafter defined); and

WHEREAS, the District has found and determined and does hereby find and determine, that acquisition and construction of the Series Projects (hereafter defined) is and will be necessary and desirable in serving the District's goal of properly managing the acquisition, construction, installation and operation of portions of the infrastructure within and without the boundaries of the District; and

ARTICLE XII

DEFEASANCE

SECTION 1201. DEFEASANCE AND DISCHARGE OF THE LIEN OF THIS MASTER INDENTURE AND SUPPLEMENTAL INDENTURES ..... 76
SECTION 1202. MONEYS HELD IN TRUST ..... 81

ARTICLE XIII

MISCELLANEOUS PROVISIONS

SECTION 1301. EFFECT OF COVENANT ..... 81
SECTION 1302. MANNER OF GIVING NOTICE TO THE DISTRICT AND THE TRUSTEE ..... 82
SECTION 1303. MANNER OF GIVING NOTICE TO THE OWNERS ..... 82
SECTION 1304. SUCCESSORSHIP OF DISTRICT OFFICERS ..... 83
SECTION 1305. INCONSISTENT PROVISIONS ..... 83
SECTION 1306. FURTHER ACTS ..... 83
SECTION 1307. HEADINGS NOT PART OF INDENTURE ..... 83
SECTION 1308. EFFECT OF PARTIAL INVALIDITY ..... 83
SECTION 1309. ATTORNEYS' FEES ..... 84
SECTION 1310. EFFECTIVE DATE ..... 85

EXHIBIT A

FORM OF REQUISITION

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

NOW, THEREFORE, THIS MASTER TRUST INDENTURE WITNESSETH:

GRANTING CLAUSES

That the District, in consideration of the premises and acceptance by the Trustee of the trusts hereby created and the purchase and acceptance of the Bonds (hereafter defined) by the Owners (hereafter defined), and of the sum of ten dollars (\$ 10.00), lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of this Master Indenture, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds of a Series (hereafter defined) issued hereunder according to their tenor and effect and to secure the performance and observance by the District of all of the covenants expressed or implied herein, in the Supplemental Indenture authorizing the issuance of such Series of Bonds and in the Bonds of such Series, does hereby assign and grant a security interest in the following (herein called the "Trust Estate") to the Trustee and its successors in trust, and assigns forever, for the securing of the performance of the obligations of the District herein set forth: (i) the Pledged Revenues (hereinafter defined) and Pledged Funds (hereinafter defined); and (ii) any and all property of every kind or description which may from time to time hereafter be sold, transferred, conveyed, assigned, hypothecated, endorsed, deposited, pledged, granted or delivered to, or deposited with, the Trustee as security for any Series of Bonds issued pursuant to this Master Indenture by the District or anyone on its behalf or with its consent, or which pursuant to any of the provisions hereof or of the Supplemental Indenture securing such Series of Bonds may come into the possession or control of the Trustee or of a lawfully appointed receiver, as such additional security, and the Trustee is hereby authorized to receive any and all such property as and for security for the payment of such Series of Bonds and the interest and premium, if

any, thereon, and to hold and apply all such property subject to the terms hereof, it being expressly understood and agreed that except as otherwise provided herein or in a Supplemental Indenture the Trust Estate established and held hereunder for Bonds of a Series shall be held separate and in trust solely for the benefit of the Owners of the Bonds of such Series and for no other Series;

**TO HAVE AND TO HOLD** the Trust Estate, whether now owned or held or hereafter acquired, forever;

**IN TRUST NEVERTHELESS**, upon the terms and trusts herein set forth (a) for the equal and proportionate benefit and security of all present and future Owners of the Bonds of a Series, without preference of any Bond of such Series over any other Bond of such Series, (b) for enforcement of the payment of the Bonds of a Series, in accordance with their terms and the terms of this Master Indenture and the Supplemental Indenture authorizing the issuance of such Series of Bonds, and all other sums payable hereunder, under the Supplemental Indenture authorizing such Series of Bonds or on the Bonds of such Series, and (c) for the enforcement of and compliance with the obligations, covenants and conditions of this Master Indenture except as otherwise expressly provided herein, as if all the Bonds at any time Outstanding (hereafter defined) had been authenticated, executed and delivered simultaneously with the execution and delivery of this Master Indenture, all as herein set forth.

**IT IS HEREBY COVENANTED, DECLARED AND AGREED**

(a) that this Master Indenture creates a continuing lien equally and ratably to secure the payment in full of the principal of, premium, if any, and interest on all Bonds of a Series which may from time to time be Outstanding hereunder, except as otherwise expressly provided herein, (b) that the Trust Estate shall immediately be subject to the lien of this pledge and assignment without any physical delivery thereof or further act, (c) that the lien of this pledge and assignment shall be a first lien and shall be valid and binding against all parties having any claims of any kind in tort, contract or otherwise against the District, irrespective of whether such parties have notice thereof, and (d) that the Bonds of a Series are to be issued, authenticated and delivered, and that the Trust Estate is to be held, dealt with, and disposed of by the Trustee, upon and subject to the terms, covenants, conditions, uses, agreements and trusts set forth in this Master Indenture and the District covenants and agrees with the Trustee, for

3

number of days elapsed (determined on the basis of a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months) from the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance), by (y) one hundred eighty (180). A table of Accreted Values for the Capital Appreciation Bonds shall be incorporated in a Supplemental Indenture executed by the District upon issuance of any Capital Appreciation Bonds.

**"Acquisition and Construction Fund"** shall mean the fund so designated in, and created pursuant to, Section 502 hereof.

**"Act"** shall mean Chapter 190, Florida Statutes, as amended from time to time.

**"Additional Bonds"** shall mean Bonds of a Series authenticated and delivered pursuant to the terms of a Supplemental Indenture providing for the issuance of *pari passu* Additional Bonds of such Series.

**"Additional Series Project"** shall mean the acquisition and/or construction of any additions, extensions, improvements and betterments to and reconstructions of a Series Project to be financed, in whole or in part, from the proceeds of any Subordinate Debt.

**"Amortization Installments"** shall mean the moneys required to be deposited in a Series Redemption Account within the Debt Service Fund for the purpose of redeeming and paying when due any Term Bonds, the specific amounts and dates of such deposits to be set forth in a Supplemental Indenture.

**"Assessments"** shall mean all assessments levied and collected by or on behalf of the District pursuant to Section 190.022 of the Act as amended from time to time, together with the interest specified by resolution adopted by the Governing Body, the interest specified in Chapter 170 Florida Statutes, as amended, if any such interest is collected by or on behalf of the Governing Body, and any applicable penalties collected by or on behalf of the District, together with any and all amounts received by the District from the sale of tax certificates or otherwise from the collection of Delinquent Assessments and which are referred to as such and pledged to a Series of Bonds pursuant to the

5

the equal and proportionate benefit of the respective Owners from time to time of the Bonds of each respective Series, as follows:

**ARTICLE I  
DEFINITIONS**

**Section 101. Meaning of Words and Terms.** The following words and terms used in this Master Indenture shall have the following meanings, unless some other meaning is plainly intended:

**"Accountant"** shall mean the independent certified public accountant or independent certified public accounting firm retained by the District to perform the duties of the Accountant under this Master Indenture.

**"Accountant's Certificate"** shall mean an opinion signed by an independent certified public accountant or firm of certified public accountants (which may be the Accountants) from time to time selected by the District.

**"Accounts"** shall mean all accounts created pursuant to Section 502 hereof except amounts on deposit in the Series Rebate Account within the Rebate Fund.

**"Accreted Value"** shall mean, as of the date of computation with respect to any Capital Appreciation Bonds, an amount (truncated to three (3) decimal places) equal to the original principal amount of such Capital Appreciation Bonds at the date of issuance plus the interest accrued on such Bonds from the date of original issuance of such Capital Appreciation Bonds to the date of computation, such interest to accrue at the rate of interest per annum of the Capital Appreciation Bonds (or in accordance with a table of compound accreted values set forth in such Capital Appreciation Bonds), compounded semi-annually on each Interest Payment Date; provided, however, that if the date with respect to which any such computation is made is not an Interest Payment Date, the Accreted Value of any Bond as of such date shall be the amount determined by compounding the Accreted Value of such Bond as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) at the rate of interest per annum of the Capital Appreciation Bonds for the partial semi-annual compounding period determined by dividing (x) the

4

Supplemental Indenture authorizing the issuance of such Series of Bonds.

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

**"Authorized Officer"** shall mean any person authorized by the District in writing directed to the Trustee to perform the act or sign the document in question.

**"Benefit Special Assessments"** shall mean benefit special assessments levied and collected in accordance with Section 190.021(2), Florida Statutes, as amended from time to time, together with any and all amounts received by the District from the sale of tax certificates or otherwise from the collection of Benefit Special Assessments which are not paid in full when due and which are referred to as such and pledged to a Series of Bonds pursuant to the Supplemental Indenture authorizing the issuance of such Series of Bonds.

**"Bond Counsel"** shall mean an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the District.

**"Bond Registrar"** or **"Registrar"** shall mean the bank or trust company designated as such by Supplemental Indenture with respect to a Series of Bonds for the purpose of maintaining the registry of the District reflecting the names, addresses, and other identifying information of Owners of Bonds of such Series.

**"Bond Year"** shall mean, unless otherwise provided in the Supplemental Indenture authorizing a Series of Bonds, the period commencing on the first day of May in each year and ending on the last day of April of the following year.

**"Bonds"** shall mean the Outstanding Bonds of all Series.

**"Business Day"** shall mean any day excluding Saturday, Sunday or any other day on which banks in the cities in which the designated corporate trust office of the Trustee or the Paying Agent are located are authorized or required by law or other governmental action to close and on which the Trustee or Paying Agent, or both, is closed.

6

**"Capital Appreciation Bonds"** shall mean Bonds issued under this Master Indenture and any Supplemental Indenture as to which interest is compounded periodically on each of the applicable periodic dates designated for compounding and payable in an amount equal to the then-current Accreted Value only at the maturity or earlier redemption thereof, all as so designated in a Supplemental Indenture of the District providing for the issuance thereof.

**"Capitalized Interest"** shall mean, with respect to the interest due or to be due on a Series of Bonds prior to, during and for a period not exceeding one year after the completion of a Series Project to be funded by such Series, all or part of such interest which will be paid, or is expected to be paid, from the proceeds of such Series.

**"Capitalized Interest Account"** shall mean any Capitalized Interest Account to be established within a Series Debt Service Account by Supplemental Indenture with respect to any Series of Bonds issued under this Master Indenture, as authorized pursuant to this Master Indenture.

**"Chairman"** shall mean the Chairman of the Governing Body of the District or his or her designee or the person succeeding to his or her principal functions.

**"Code"** shall mean the Internal Revenue Code of 1986, as amended, or any successor provisions thereto and the regulations promulgated thereunder or under the Internal Revenue Code of 1954, as amended, if applicable, or any successor provisions thereto.

**"Completion Bonds"** shall mean Bonds issued pursuant to a Supplemental Indenture ranking on a parity with the Series of Bonds issued under such Supplemental Indenture, the proceeds of which are to be used to complete the Series Project.

**"Connection Fees"** shall mean all fees and charges assessed by the District to users for the actual costs of connecting to a utility system of the District.

**"Consulting Engineers"** shall mean the independent engineer or engineering firm or corporation employed by the District in connection with any Series Project to perform and carry out the duties of the Consulting Engineer under this Master Indenture or any Supplemental Indenture.

7

the District as a depository of moneys subject to the provisions of this Master Indenture.

**"District"** shall mean the Amelia Concourse Community Development District, a community development district established pursuant to the Act or any successor thereto which succeeds to the obligations of the District hereunder.

**"Engineers' Certificate"** shall mean a certificate of the Consulting Engineers or of such other engineer or firm of engineers having a favorable repute for skill and experience in the engineering matters with respect to which such certification is required by this Master Indenture.

**"Federal Securities"** shall mean, to the extent permitted by law for investment as contemplated in this Master Indenture and any Supplemental Indenture, (i) Government Obligations, (ii) any Tax Exempt Obligations which are fully secured as to principal and interest by an irrevocable pledge of Government Obligations, which Government Obligations are segregated in trust and pledged for the benefit of the holders of the Tax Exempt Obligations, (iii) certificates of ownership of the principal or interest of Government Obligations, which Government Obligations are held in trust and (iv) investment agreements at least 100% collateralized by obligations described in clauses (i), (ii) or (iii) above.

**"Fiscal Year"** shall mean the fiscal year of the District in effect from time to time, which shall initially mean the period commencing on the first day of October of any year and ending on the last day of September of the following year.

**"Funds"** shall mean all funds, except the Rebate Fund, created pursuant to Section 502 hereof.

**"Governing Body"** shall mean the Board of Supervisors of the District.

**"Government Obligations"** shall mean direct obligations of, or obligations the payment of which is unconditionally guaranteed by, the United States of America.

**"Indenture"** shall mean this Master Indenture, as amended and supplemented from time to time by a Supplemental Indenture or

9

**"Cost"** as applied to a Series Project or Additional Series Project, shall include the cost of acquisition and construction thereof and all obligations and expenses relating thereto including, but not limited to, those items of cost which are set forth in Section 403 hereof.

**"Credit or Liquidity Facility"** shall mean a letter of credit, a municipal bond insurance policy, a surety bond or other similar agreement issued by a banking institution or other entity satisfactory to the District and providing for the payment of the principal of, interest on or purchase price of a Series of Bonds or any alternate or substitute Credit or Liquidity Facility if then in effect.

**"Current Interest Bonds"** shall mean Bonds of a Series the interest on which is payable at least annually.

**"Date of Completion"** with respect to a Series Project or Additional Series installed Project shall mean: (i) the date upon which such Project and all components thereof have been acquired or constructed and are capable of performing the functions for which they were intended, as evidenced by a certificate of the Consulting Engineer filed with the Trustee and the District; or (ii) the date on which the District determines, upon the recommendation of or in consultation with the Consulting Engineer, that it cannot complete such Project in a sound and economical manner within a reasonable period of time as evidenced by a certificate of the Consulting Engineer of the District filed with the Trustee and the District; provided that in each case such certificate of the Consulting Engineer shall set forth the amount of all Costs of such Project which has theretofore been incurred, but which on the Date of Completion is or will be unpaid or unreimbursed.

**"Debt Service"** shall mean collectively the principal (including Amortization Installments), interest, and redemption premium, if any, payable with respect to the Bonds.

**"Debt Service Fund"** shall mean the fund so designated in, and created pursuant to, Section 502 hereof.

**"Delinquent Assessments"** shall mean, collectively, any and all installments of any Assessments which are not paid within thirty (30) days of the date on which such installments are due and payable.

**"Depository"** shall mean any bank or trust company duly authorized by law to engage in the banking business and designated by

8

indentures, and, shall mean when used with respect to a Series of Bonds issued hereunder, this Master Indenture, as amended and supplemented by the Supplemental Indenture relating to such Series of Bonds.

**"Insurer"** shall mean the issuer of any municipal bond insurance policy insuring the timely payment of the principal of and interest on Bonds or any Series of Bonds.

**"Interest Payment Date"** shall mean the dates specified in a Supplemental Indenture with respect to a Series of Bonds upon which the principal of and/or interest on Bonds of such Series shall be due and payable in each Bond Year.

**"Investment Obligations"** shall mean and include, except as otherwise provided in the Supplemental Indenture providing of the authorization of Notes or Bonds, mean and includes any of the following securities, if and to the extent that such securities are legal investments for funds of the District;

- (i) Government Obligations;
- (ii) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies or such other government - sponsored agencies which may presently exist or be hereafter created; provided that, such bonds, debentures, notes or other evidences of indebtedness are fully guaranteed as to both principal and interest by the United States of America; Bank for Cooperatives; Federal Intermediate Credit Banks; Federal Financing Bank; Federal Home Loan Bank System; Export-Import Bank of the United States; Farmers Home Administration; Small Business Administration; Inter-American Development Bank; International Bank for Reconstruction and Development; Federal Land Banks; the Federal National Mortgage Association; the Government National Mortgage Association; the Tennessee Valley Authority; or the Washington Metropolitan Area Transit Authority;
- (iii) Direct and general obligations of any state of the United States, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, if at the time of their purchase such obligations are rated in either of the two highest rating categories

10

without regard to gradations within any such categories by either S&P or Moody's;

(iv) Negotiable or non-negotiable certificates of deposit, time deposits or other similar banking arrangements issued by any bank or trust company, including the Trustee, or any federal savings and loan association, the deposits of which are insured by the Federal Deposit Insurance Corporation (including the FDIC's Savings Association Insurance Fund), which securities, to the extent that the principal thereof exceeds the maximum amount insurable by the Federal Deposit Insurance Corporation and, therefore, are not so insured, shall be fully secured to the extent permitted by law as to principal and interest by the securities listed in subsection (i), (ii) or (iii) above; provided, however, that with respect to securities used to secure securities hereunder, in addition to direct and general obligations of any political subdivision or instrumentality of any such state, to the payment of the principal of and interest on which the full faith and credit of such subdivision or instrumentality is pledged if such obligations are initially rated in one of the three highest rating categories without regard to gradations within any such categories by either S&P or Moody's;

(v) Bank or broker repurchase agreements fully secured by securities specified in (i) or (ii) above, which may include repurchase agreements with the commercial banking department of the Trustee, provided that such securities are deposited with the Trustee, with a Federal Reserve Bank or with a bank or trust company (other than the seller of such securities) having a combined capital and surplus of not less than \$100,000,000;

(vi) A promissory note of a bank holding company rated in either of the two highest rating categories without regard to gradations within any such categories by either S&P or Moody's;

(vii) Any short term government fund or any money market fund whose assets consist of (i), (ii) and (iii) above;

(viii) Commercial paper which at the time of purchase is rated in the highest rating category without regard to gradations with such category by either S&P or Moody's;

11

nationally recognized securities rating agency designated by the District by written notice to the Trustee.

**"Option Bonds"** shall mean Current Interest Bonds, which may be either Serial or Term Bonds, which by their terms may be tendered by and at the option of the Owner for purchase prior to the stated maturity thereof.

**"Outstanding"** when used with reference to Bonds, shall mean, as of a particular date, all Bonds theretofore authenticated and delivered under this Master Indenture, except:

(i) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(ii) Bonds (or portions of Bonds) for the payment or redemption of which moneys, equal to the principal amount or redemption price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under this Master Indenture or Supplemental Indenture with respect to Bonds of any Series and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice as provided in Article III hereof or in the Supplemental Indenture relating to the Bonds of any Series;

(iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to this Master Indenture and the Supplemental Indenture with respect to Bonds of a Series unless proof satisfactory to the Trustee is presented that any such Bonds are held by a bona fide purchaser in due course; and

(iv) Bonds paid or deemed to have been paid as provided in this Master Indenture or in a Supplemental Indenture with respect to Bonds of a Series, including Bonds with respect to which payment or provision for payment has been made in accordance with Article XII hereof.

In addition, Bonds actually known by the Trustee to be held by or for the District will not be deemed to be Outstanding for the purposes and within the purview of Article IX and Article XI of this Master Indenture.

13

(ix) (A) Certificates evidencing a direct ownership interest in non-callable Government Obligations or in future interest or principal payments thereon held in a custody account by a custodian satisfactory to the Trustee, and (B) obligations of any state of the United States of America or any political subdivision, public instrumentality or public authority of any such state which are not subject to redemption prior to the date on which the proceeds attributable to the principal of such obligations are to be used and which are fully secured by and payable solely from non-callable Government Obligations held pursuant to an escrow agreement; and

(x) the Local Government Surplus Funds Trust Fund as described in Florida Statutes, Section 218.405 or the corresponding provisions of subsequent laws.

**"Letter of Credit Agreement"** shall mean any financing agreement relating to a Credit Facility for so long as such agreement will be in effect.

**"Liquidity Agreement"** shall mean any financing agreement relating to a Liquidity Facility for so long as such agreement will be in effect.

**"Master Indenture"** shall mean this Master Trust Indenture, as amended and supplemented from time to time in accordance with the provisions hereof.

**"Maturity Amount"** shall mean the amount due at maturity with respect to a Capital Appreciation Bond.

**"Maximum Annual Debt Service Requirement"** shall mean, at any given time of determination, the greatest amount of principal, interest and Amortization Installments coming due in any current or future Bond Year with regard to the Series of Bonds for which such calculation is made; provided, the amount of interest coming due in any Bond Year shall be reduced to the extent moneys derived from the proceeds of Bonds are used to pay interest in such Bond Year.

**"Moody's"** shall mean Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, Moody's will be deemed to refer to any other

12

**"Owner" or "Owners"** shall mean the registered owners from time to time of Bonds.

**"Paying Agent"** shall mean the bank or trust company designated by Supplemental Indenture with respect to a Series of Bonds as the place where Debt Service shall be payable with respect to such Series of Bonds and which accepts the duties of Paying Agent under this Master Indenture and under such Supplemental Indenture.

**"Pledged Funds"** shall mean all of the Series Pledged Funds.

**"Pledged Revenues"** shall mean all of the Series Pledged Revenues.

**"Prepayments"** shall mean any Assessments or Benefit Special Assessments, or portions thereof, which shall be paid to the District prior to the time such amounts become due. Prepayments shall not include any interest paid on such Assessments.

**"Principal and Interest Requirement"** shall mean with respect to a Series of Bonds, the respective amounts which are required in each Bond Year to provide:

(i) for paying the interest on all Bonds of such Series then Outstanding which is payable in such Bond Year;

(ii) for paying the principal or Maturity Amount of all Serial Bonds of such Series then Outstanding which is payable in such Bond Year; and

(iii) the Amortization Installments on the Term Bonds of such Series of Bonds, if any, payable in such Bond Year.

**"Property Appraiser"** shall mean the Property Appraiser of Nassau County, Florida, or the person succeeding to such officer's principal functions.

**"Rebate Amount"** shall mean the amount, if any, required to be rebated to the United States pursuant to Section 148(f) of the Internal Revenue Code of 1986, as amended, and the regulations and rulings thereunder.

14

**"Rebate Analyst"** shall mean the person or firm selected by the District to calculate the Rebate Amount, which person or firm shall have recognized expertise in the calculation of the Rebate Amount.

**"Rebate Fund"** shall mean the fund so designated in, and created pursuant to, Section 502 hereof.

**"Record Date"** shall mean the fifteenth (15th) day of the calendar month next preceding any Debt Service payment date or, in the case of any proposed redemption of Bonds, the fifth (5th) day next preceding the date of mailing of notice of such redemption, or if either of the foregoing days is not a Business Day, then the Business Day immediately preceding such day.

**"Redemption Price"** shall mean the principal of, premium, if any, and interest accrued to the date fixed for redemption of any Bond called for redemption pursuant to the provisions thereof, hereof and of the Supplemental Indenture pursuant to which such Bond is issued.

**"Refunding Bonds"** shall mean Bonds issued pursuant to provisions of this Master Indenture, the proceeds of which are used to refund one or more Series of Outstanding Bonds.

**"Reserve Fund"** shall mean the fund so designated in, and created pursuant to, Section 502 hereof.

**"Revenue Fund"** shall mean the fund so designated in, and created pursuant to, Section 502 hereof.

**"S&P"** shall mean Standard & Poor's Rating Group, a division of McGraw Hill, Inc., a corporation organized and existing under the laws of the State of New York, its successors and its assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, S&P will be deemed to refer to any other nationally recognized securities rating agency designated by the District by written notice to the Trustee.

**"Secretary"** shall mean the Secretary or any Assistant Secretary to the Governing Body, or his or her designee or the person succeeding to his or her principal functions.

**"Serial Bonds"** shall mean Bonds (other than Term Bonds) that mature in annual or semi-annual installments.

15

of Bonds as shall be described in the Supplemental Indenture authorizing such Series of Bonds.

**"Series Rebate Account"** shall mean the account in the Rebate Fund with respect to a Series of Bonds so designated in, and created pursuant to, Supplemental Indenture.

**"Series Redemption Account"** shall mean the account so designated in, and created pursuant to, Section 502 hereof.

**"Series Reserve Account"** shall mean the Reserve Account for the Series of Bonds established in the Reserve Fund by Supplemental Indenture in an amount equal to the Series Reserve Account Requirement for such Series of Bonds.

**"Series Reserve Account Requirement"** shall mean the amount of money or other security which may be in the form of a reserve fund insurance policy or other security as may be required by the terms of a Supplemental Indenture to be deposited in or credited to a Series Reserve Account for each Series of Bonds provided, however, that unless otherwise provided in the Supplemental Indenture relating to a Series of Bonds, as of any date of calculation for a particular Series Reserve Account, the "Series Reserve Account Requirement" shall be an amount equal to the lesser of: (A) Maximum Annual Debt Service Requirement for all Outstanding Bonds of such Series, (B) 125% of the average annual debt service for all Outstanding Bonds of such Series, or (C) the aggregate of 10% of the proceeds of the Bonds of such Series calculated as of the date of original issuance thereof. In computing the Series Reserve Account Requirement in respect of any Series of Bonds that constitute Variable Rate Bonds, the interest rate on such Bonds shall be assumed to be the greater of: (1) 110% of the daily average interest rate on such Variable Rate Bonds during the 12 months ending with the month preceding the date of calculation, or such shorter period of time that such Series of Bonds shall have been Outstanding, or (2) the actual rate of interest borne by such Variable Rate Bonds on such date of calculation; provided, in no event shall the Series Reserve Account Requirement as adjusted on such date of calculation exceed the lesser of the amounts specified in the immediately preceding sentence. In computing the Series Reserve Account Requirement in accordance with clause (C) of this definition in respect of any Capital Appreciation Bonds, the principal amount of such Bonds shall be the original principal amount thereof, not the Accreted Value.

17

**"Series"** shall mean all of the Bonds authenticated and delivered on original issuance of a stipulated aggregate principal amount in a simultaneous transaction under and pursuant to the same Supplemental Indenture and any Bonds thereafter authenticated and delivered in lieu of or in substitution therefor pursuant to this Master Indenture and such Supplemental Indenture regardless of variations in maturity, interest rate or other provisions; provided, however, two or more Series of Bonds may be issued simultaneously under the same Supplemental Indenture if designated as separate Series of Bonds by the District upon original issuance.

**"Series Acquisition and Construction Account"** shall mean the account within the Acquisition and Construction Fund with respect to each Series of Bonds so designated in, and created pursuant to, Supplemental Indenture.

**"Series Interest Account"** shall mean the account with respect to a Series of Bonds established within the Debt Service Fund so designated in, and created pursuant to, Section 502 hereof.

**"Series Pledged Funds"** shall mean all amounts on deposit from time to time in the Funds and Accounts and designated in the Supplemental Indenture relating to such Series of Bonds as pledged to the payment of such Series of Bonds; provided, however, such term shall not include any amounts on deposit in a Series Rebate Account in the Rebate Fund.

**"Series Pledged Revenues"** shall mean the revenues designated as such by Supplemental Indenture and which shall constitute the security for and source of payment of a Series of Bonds and may consist of Assessments, Benefit Special Assessment, Connection Fees or other user fees or other revenues or combinations thereof imposed or levied by the District in accordance with the Act.

**"Series Principal Account"** shall mean the account with respect to a Series of Bonds established within the Debt Service Fund so designated in, and created pursuant to, Section 502 hereof.

**"Series Project"** or **"Series Projects"** shall mean the acquisition, construction, equipping and/or improvement of capital projects to be located within or without the District for the benefit of the District to be financed with all or a part of the proceeds of a Series

16

**"Series Revenue Account"** shall mean the Revenue Account for a Series of Bonds established in the Revenue Fund by Supplemental Indenture for such Series of Bonds.

**"Subordinate Debt"** shall mean indebtedness secured hereby or by any Supplemental Indenture which is by its terms expressly subordinate and inferior hereto both in lien and right of payment.

**"Supplemental Indenture"** shall mean an indenture supplemental hereto authorizing the issuance of a Series of Bonds hereunder and establishing the terms thereof and the security therefor and shall also mean any indenture supplementary hereto entered into for the purpose of amending the terms and provisions hereof with respect to all Bonds in accordance with Article XI hereof.

**"Taxable Bonds"** shall mean Bonds of a Series which are not Tax Exempt Bonds.

**"Tax Collector"** shall mean the Tax Collector of Nassau County, Florida, appointed by the chief financial officer of the County of Nassau, Florida, or the person succeeding to such officer's principal functions.

**"Tax Exempt Bonds"** shall mean Bonds of a Series the interest on which, in the opinion of Bond Counsel on the date of original issuance thereof, is excludable from gross income for federal income tax purposes.

**"Tax Exempt Obligations"** shall mean any bond, note or other obligation issued by any person, the interest on which is excludable from gross income for federal income tax purposes.

**"Tax Regulatory Covenants"** shall mean the Tax Regulatory Covenants of the District contained in the Supplemental Indenture authorizing the issuance of a Series of Tax Exempt Bonds, setting forth the covenants of the District necessary for the preservation of the excludability of interest thereon from gross income for federal income tax purposes, as such covenants shall be amended from time to time upon written instructions from Bond Counsel.

**"Term Bonds"** shall mean Bonds that mature on one date and that are subject to mandatory redemption from Amortization

18

Installments or are subject to extraordinary mandatory or mandatory redemption upon receipt of unscheduled Pledged Revenues.

**"Time Deposits"** shall mean time deposits, certificates of deposit or similar arrangements with any bank or trust company, including the Trustee or an affiliate thereof, which is a member of the Federal Deposit Insurance Corporation and any Federal or State of Florida savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation or its successors and which are secured or insured in the manner required by Florida law.

**"Trust Estate"** shall have the meaning ascribed to such term in the granting clauses hereof, including, but not limited to, the Pledged Revenues and Pledged Funds.

**"Trustee"** shall mean U.S. Bank National Association with its designated office in Jacksonville, Florida, and any successor trustee appointed or serving pursuant to Article VI hereof.

**"Variable Rate Bonds"** shall mean Current Interest Bonds, which may be either Serial Bonds or Term Bonds, issued with a variable, adjustable, convertible or other similar interest rate which is not fixed in percentage for the entire term thereof at the date of issue, which Bonds may also be Option Bonds.

**Section 102. Rules of Construction.** Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words "Bond," "Owner," "person," "Paying Agent," and "Bond Registrar" shall include the plural as well as the singular number and the word "person" shall mean any individual, corporation partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof. All references to Florida Statutes or other provisions of Florida law shall be deemed to include any and all amendments thereto.

19

paid to the registered Owner of Bonds at the close of business on the Record Date for such interest; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 hereof, the payment of interest and principal or Redemption Price or Amortization Installments pursuant hereto shall be made by the Paying Agent to such person, who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the registered Owner of a Bond. Any payment of principal, Maturity Amount or Redemption Price shall be made only upon presentation of the Bond at the designated corporate trust office of the Paying Agent in Jacksonville, Florida. Payment of interest shall be made by check or draft (or by wire transfer to the registered Owner if such Owner requests such method of payment by delivery of written notice to the Paying Agent prior to the Record Date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner owns not less than \$1,000,000, or, if less than such amount, all of the Outstanding Bonds of a Series, in aggregate principal amount of the Bonds). Unless otherwise provided in the Supplemental Indenture authorizing a Series of Bonds, interest on a Series of Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

**Section 203. Execution and Form of Bonds.** The Bonds shall be signed by, or bear the facsimile signature of the Chairman, shall be attested and countersigned by the Secretary, and the certificate of authentication appearing on the face of the Bonds shall be signed by, or bear the facsimile signature of the Trustee; provided, however, that each Bond shall be manually signed by either the Chairman, the Secretary or the Trustee. The official seal of the District shall be imprinted or impressed on the Bonds. In case any officer whose signature or a facsimile of whose signature appears on any Bond shall cease to be such officer before the delivery of such Bond, such signature or such facsimile shall nevertheless be valid for all purposes the same as if he or she had remained in office until such delivery. Any Bond may bear the facsimile signature of, or may be signed by, such persons as at the actual time of the execution of such Bond shall be proper officers to execute such Bond although at the date of such Bond such persons may not have been such officers. The Bonds, and the provisions for registration and reconversion to be endorsed on such Bonds, shall be

21

## ARTICLE II FORM, EXECUTION, DELIVERY AND DESIGNATION OF BONDS

**Section 201. Issuance of Bonds.** For the purpose of providing funds for paying all or part of the Cost of a Series Project, Bonds of a Series, without limitation as to aggregate principal amount, may be issued under this Master Indenture subject to the conditions hereinafter provided in Section 207 of this Article. Debt Service on each Series of Bonds shall be payable solely from the Pledged Revenues and Pledged Funds pledged to such Series of Bonds in the Supplemental Indenture authorizing the issuance of such Series of Bonds and, as may be provided in such Supplemental Indenture, all of the provisions of this Master Indenture shall be for the benefit and security of the present and future Owners of such Series of Bonds so issued, without preference, priority or distinction, as to lien or otherwise, of any one Bond of such Series over any other Bond of such Series. The District may also issue from time to time, Additional Bonds, Completion Bonds and Refunding Bonds of a Series under and pursuant to the terms of the Supplemental Indenture authorizing the issuance of such Series of Bonds.

**Section 202. Details of Bonds.** Bonds of a Series shall be in such denominations, numbered consecutively, shall bear interest from their date until their payment at rates not exceeding the maximum rate permitted by law, shall be dated, shall be stated to mature in such year or years in accordance with the Act, and shall be subject to redemption prior to their respective maturities, subject to the limitations hereinafter provided, as provided for in the Supplemental Indenture authorizing the issuance of such Series of Bonds. Bonds of a Series may be Current Interest Bonds, Variable Rate Bonds, Capital Appreciation Bonds, Option Bonds or any combination thereof and may be secured by a Credit and/or Liquidity Facility, all as shall be provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds. Bonds of a Series (or a part of a Series) may be in book-entry form at the option of the District as shall be provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

Debt Service shall be payable in any coin or currency of the United States of America which, at the date of payment thereof, is legal tender for the payment of public and private debts. Interest shall be

20

substantially in the form set forth in a Supplemental Indenture. The Trustee may appoint one or more authenticating agents.

**Section 204. Negotiability, Registration and Transfer of Bonds.** The District shall cause books for the registration and for the transfer of the Bonds as provided in this Master Indenture to be kept by the Bond Registrar. All Bonds shall be registered as to both principal and interest. Any Bond may be transferred only upon an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, such transfer to be made on such books and endorsed on the Bond by the Bond Registrar. No charge shall be made to any Owner for registration and transfer as hereinabove provided, but any Owner requesting any such registration or transfer shall pay any tax or other governmental charge required to be paid with respect thereto. The Bond Registrar shall not be required to transfer any Bond during the period between the Record Date and the Interest Payment Date next succeeding the Record Date of such Bond, during the period between the Record Date for the mailing of a notice of redemption and the date of such mailing, nor after such Bond has been selected for redemption. The Bonds shall be and have all the qualities and incidents of negotiable instruments under the laws of the State of Florida, and each successive Owner, in accepting any of the Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the laws of the State of Florida.

**Section 205. Ownership of Bonds.** The person in whose name any Bond shall be registered shall be deemed the absolute owner thereof for all purposes, and payment of Debt Service shall be made only to or upon the order of the registered owner thereof or his attorney or legal representative as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. The Trustee, the District, the Bond Registrar and the Paying Agent may deem and treat the registered owner of any Bond as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and neither the Trustee, the District, the Bond Registrar nor the Paying Agent shall be affected by any notice to the contrary.

22

**Section 206. Special Obligations.** Each Series of Bonds shall be a special and direct obligation of the District. Neither the 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 Bonds and the interest and premium, if any, payable thereon do not constitute either a pledge of the full faith and credit of the District or a lien upon any property of the District other than as provided herein or in the Supplemental Indenture authorizing the issuance of such Series of Bonds. No Owner or any other person shall ever have the right to compel the exercise of any ad valorem taxing power of the District or any other public authority or governmental body to pay Debt Service or to pay any other amounts required to be paid pursuant to this Master Indenture, any Supplemental Indenture, or the Bonds. Rather, Debt Service and any other amounts required to be paid pursuant to this Master Indenture, any Supplemental Indenture, or the Bonds, shall be payable solely from, and shall be secured solely by, the Series Pledged Revenues and the Series Pledged Funds pledged to such Series of Bonds, all as provided herein and in such Supplemental Indenture.

**Section 207. Authorization of Bonds.** There shall be issued from time to time in Series, under and secured by this Master Indenture, Bonds without limitation as to aggregate principal amount for the purposes of: (i) paying all or part of the Cost of a Project or Projects or refunding an Outstanding Series of Bonds or any portion thereof; (ii) depositing the Series Reserve Account Requirement to the Series Reserve Account for such Series of Bonds; and (iii) paying the costs and expenses of issuing such Series of Bonds.

Each Series of Bonds, upon initial issuance thereof, 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 the following:

(i) an executed and attested original or certified copy of this Master Indenture;

(ii) an executed and attested original or certified copy of the Supplemental Indenture fixing the amount of and security for the Series of Bonds authorized to be issued thereby and establishing, among other things, the dates on which, and the amounts in which,

23

The proceeds (including accrued interest and any premium) of each Series of Bonds shall be applied as soon as practicable upon delivery thereof to the Trustee as follows:

(i) the amount received as accrued interest on the Bonds shall be deposited to the credit of the Series Interest Account and Capitalized Interest, if any, shall be deposited to the credit of the Series Interest Account;

(ii) an amount equal to the Series Reserve Account Requirement or the initial cost of satisfying the Series Reserve Account Requirement if not satisfied by the deposit of cash, shall be deposited to the credit of the Series Reserve Account; and

(iii) the balance shall be deposited and applied as provided for in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

**Section 208. Temporary Bonds.** Pending delivery of definitive Bonds, there may be executed, authenticated, and delivered to the Owners thereof, in lieu of definitive Bonds and subject to the same limitations and conditions except as to identifying numbers, temporary printed, engraved, lithographed or typewritten Bonds in Authorized Denominations, substantially of the tenor set forth in the Bond form to be set forth in the Supplemental Indenture authorizing such Series of Bonds. The District shall cause definitive Bonds to be prepared and to be executed, endorsed, registered and delivered to the Trustee, and the Trustee, upon presentation to it of any temporary Bond, shall cancel the same or cause the same to be canceled and cause to be authenticated and delivered, in exchange therefor, at the place designated by the Owner, without expense to the Owner, definitive Bonds of the same Series and in the same aggregate principal amount, maturing on the same date and bearing interest or yield to maturity at the same rate as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits of this Master Indenture and any Supplemental Indenture as the definitive Bonds to be issued hereunder.

**Section 209. Mutilated, Destroyed or Lost Bonds.** If any Bonds become mutilated or destroyed or lost, the District may cause to be executed, and the District may cause to be delivered, a new Bond in substitution therefor upon the cancellation of such mutilated Bond or

25

such Series of Bonds will mature (provided that the final maturity date of such Series of Bonds shall be not later than permitted by the Act with respect to such Series of Bonds), designating the Paying Agent and Bond Registrar, fixing the Amortization Installments, if any, for the Term Bonds of such Series, awarding the Series of Bonds, specifying the interest rates or the method for calculating such interest rates with respect to such Series of Bonds, specifying the redemption provisions and prices thereupon, specifying other details of such Series of Bonds, and directing the delivery of such Series of Bonds to or upon the order of the initial purchaser thereof upon payment of the purchase price therefor set forth in such Supplemental Indenture;

(iii) an opinion of counsel for the District substantially to the effect that the signer is of the opinion that this Master Indenture and the Supplemental Indenture relating to such Series of Bonds have been duly and validly authorized in accordance with the terms hereof and of the Act, and have been duly approved and adopted, that the issuance of such Series of Bonds has been duly authorized, and that this Master Indenture and the Supplemental Indenture constitute binding obligations of the District, enforceable against the District in accordance with their terms except as enforcement thereof may be affected by bankruptcy and other similar laws relating to creditor's rights generally;

(iv) an opinion of Bond Counsel for the District substantially to the effect that the signer is of the opinion that the Bonds of such Series are valid, binding and enforceable obligations of the District and, if such Series of Bonds are not Taxable Bonds, that interest thereon is excludable from gross income of the Owners under the income tax laws of the United States in effect on the date such Series of Bonds are delivered to their initial purchasers.

The Trustee shall be provided with reliance letters with respect to the opinions required in paragraphs (iii) and (iv) above. When the documents mentioned in subsections (i) through (iv) above shall have been received, and when the Bonds of such Series shall have been executed and authenticated as required by this Master Indenture, such Series of Bonds shall be delivered to, or upon the order of, the District, but only upon payment to the Trustee of the purchase price of such Series of Bonds, together with accrued interest, if any, thereon as set forth in a certificate of delivery and payment executed by the Chairman or Vice Chairman of the District.

24

in lieu of and in substitution for such Bond destroyed or lost, and upon payment by the Owner of the reasonable expenses and charges of the District and the Trustee in connection therewith and, in the case of a Bond destroyed or lost, upon the Owner filing with the Trustee evidence satisfactory to it that such Bond was destroyed or lost and of his or her ownership thereof, and upon furnishing the District and the Trustee with indemnity satisfactory to them.

**Section 210. Pari Passu Obligations Under Credit Agreements.** As may be provided for or required in any Supplemental Indenture, the District may incur financial obligations under a Letter of Credit Agreement or a Liquidity Agreement payable *pari passu* with respect to the lien on the Trust Estate pledged to a Series of Bonds issued under this Master Indenture and a Supplemental Indenture, without meeting any financial test or requirement set forth in this Master Indenture or the corresponding Supplemental Indenture, but only if the Letter of Credit Agreement or Liquidity Agreement supports a related Series of Bonds then being issued which does meet such tests or requirements.

**Section 211. Bond Anticipation Notes.** Whenever the District shall authorize the issuance of a Series of Bonds, the District may by resolution authorize the issuance of Bond Anticipation Notes in anticipation of the sale of such authorized Series of Bonds in a principal amount not exceeding the principal amount of such Series. The aggregate principal amount of Bonds of such Series and all other Bonds previously authenticated and delivered to pay the Cost of the Series Project or Projects for which the proceeds of the Bond Anticipation Notes will be applied shall not exceed such Cost. The interest on such Bond Anticipation Notes may be payable out of the related Series Interest Account to the extent provided in the resolution of the District authorizing such Bond Anticipation Notes. The principal of and interest on such Bond Anticipation Notes and renewals thereof shall be payable from any moneys of the District available therefor or from the proceeds of the sale of the Series of Bonds in anticipation of which such Bond Anticipation Notes are issued. The proceeds of sale of Bond Anticipation Notes shall be applied to the purposes for which the Bonds anticipated by such Bond Anticipation Notes are authorized and shall be deposited in the appropriate Fund or Account established by the Indenture for such purposes; provided, however, that the resolution or resolutions authorizing such Bond Anticipation Notes may provide for

26

the payment of interest on such Bond Anticipation Notes from the proceeds of sale of such Bond Anticipation Notes and for the deposit, in the related Series Interest Account. In the event that the District adopts a resolution authorizing the issuance of Bond Anticipation Notes, the District will promptly furnish to the Trustee a copy of such resolution, certified by an Authorized Officer, together with such information with respect to such Bond Anticipation Notes as the Trustee may reasonably request, including, without limitation, information as to the paying agent or agents for such Bond Anticipation Notes. The Trustee shall have no duties or obligations to the holders of such Bond Anticipation Notes unless specifically so authorized by the resolution of the District authorizing the issuance of such Bond Anticipation Notes and unless the Trustee accepts in writing such duties and obligations.

**Section 212. Tax Status of Bonds.** Any Series of Bonds issued under this Master Indenture either (i) may be issued as Tax Exempt Bonds, or (ii) may be issued as Taxable Bonds. The intended tax status of any Series of Bonds to be issued may be referenced in any Supplemental Indenture authorizing the issuance of such Series of Bonds.

### ARTICLE III REDEMPTION OF BONDS

**Section 301. Redemption Generally.** The Bonds of any Series shall be subject to redemption, either in whole on any date or in part on any Interest Payment Date, and at such times, in the manner and at such prices, as may be provided by the Supplemental Indenture authorizing the issuance of such Series of Bonds. The District shall provide written notice to the Trustee of any optional redemption on or before the forty-fifth (45th) day next preceding the date to be fixed for such optional redemption.

Unless otherwise provided in the Supplemental Indenture relating to a Series of Bonds, if less than all of the Bonds of any one maturity of a Series shall be called for redemption, the particular Bonds of a Series to be redeemed shall be selected by lot in such reasonable manner as the Bond Registrar in its discretion may determine. The portion of any Series of Bonds to be redeemed shall be in an Authorized Denomination and, in selecting the Bonds of such Series to be redeemed, the Bond Registrar shall treat each such Bond

27

forty-five (45) days prior to the date fixed for redemption by first-class mail, postage prepaid, to any Paying Agent for the Bonds to be redeemed and to the registered Owner of each Bond to be redeemed, at the address of such registered Owner on the registration books maintained by the Bond Registrar (and, for any Owner of \$1,000,000 or more in the principal amount of Bonds, to one additional address if written request therefor is provided to the Bond Registrar prior to the Record Date); and a second notice of redemption shall be sent by registered or certified mail at such address to any Owner who has not submitted his Bond to the Paying Agent for payment on or before the date sixty (60) days following the date fixed for redemption of such Bond, in each case stating: (i) the numbers of the Bonds to be redeemed, by giving the individual certificate number of each Bond to be redeemed (or stating that all Bonds between two stated certificate numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption); (ii) the CUSIP numbers of all Bonds being redeemed; (iii) in the case of a partial redemption of Bonds, the principal amount of each Bond being redeemed; (iv) the date of issue of each Bond as originally issued and the complete official name of the Bonds including the series designation; (v) the rate or rates of interest borne by each Bond being redeemed; (vi) the maturity date of each Bond being redeemed; (vii) the place or places where amounts due upon such redemption will be payable; and (viii) the notice date, redemption date, and redemption price. The notice shall require that such Bonds be surrendered at the designated corporate trust office of the Paying Agent for redemption at the redemption price and shall state that further interest on such Bonds will not accrue from and after the redemption date. CUSIP number identification with appropriate dollar amounts for each CUSIP number also shall accompany all redemption payments.

Any required notice or redemption also shall be sent by registered mail, overnight delivery service, telecopy or other secure means, postage prepaid, to any Owner of \$1,000,000 or more in aggregate principal amount of Bonds to be redeemed, to certain municipal registered securities depositories in accordance with the then-current guidelines of the Securities and Exchange Commission which are known to the Bond Registrar to be holding Bonds thirty-two (32) days prior to the redemption date and to at least two of the national Information Services that disseminate securities redemption notices in accordance with the then-current guidelines of the Securities

29

as representing that number of Bonds of such Series which is obtained by dividing the principal amount of such Bond by an Authorized Denomination (such amount being hereafter referred to as the "unit of principal amount").

If it is determined that one or more, but not all, of the units of principal amount represented by any such Bond is to be called for redemption, then upon notice of intention to redeem such unit or units of principal amount as provided below, the registered Owner of such Bond, upon surrender of such Bond to the Paying Agent for payment to such registered Owner of the redemption price of the unit or units of principal amount called for redemption, shall be entitled to receive a new Bond or Bonds of such Series in the aggregate principal amount of the unredeemed balance of the principal amount of such Bond. New Bonds of such Series representing the unredeemed balance of the principal amount shall be issued to the Owner thereof without any charge therefor. If the Owner of any Bond of a denomination greater than the unit of principal amount to be redeemed shall fail to present such Bond to the Paying Agent for payment in exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption.

Subject to the provisions of Section 506(b) hereof, the District may purchase a Bond or Bonds of a Series in the open market at a price no higher than the highest redemption price (including premium) for the Bond to be so purchased with any funds legally available therefor and any such Bonds so purchased shall be credited to the amounts otherwise required to be deposited for the payment of Bonds of such Series as provided in Section 506(b) hereof or as otherwise provided in the Supplemental Indenture relating to such Series.

**Section 302. Notice of Redemption; Procedure for Selection.** The District shall establish each redemption date, other than in the case of a mandatory redemption, in which case the Trustee shall establish the redemption date, and the District or the Trustee, as the case may be, shall notify the Bond Registrar in writing of such redemption date on or before the forty-fifth (45th) day next preceding the date fixed for redemption, which notice shall set forth the terms of the redemption and the aggregate principal amount of Bonds so to be redeemed. Except as provided below, notice of redemption shall be given by the Bond Registrar not less than thirty (30) nor more than

28

and Exchange Commission, when possible, at least thirty (30) days prior to the redemption date; provided that neither failure to send or receive any such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds.

Failure to give notice by mailing to the Owner of any Bond designated for redemption or to any depository or information service shall not affect the validity of the proceedings for the redemption of any other Bond.

**Section 303. Effect of Calling for Redemption.** On the date designated for redemption of any Bonds, notice having been filed and mailed in the manner provided above, the Bonds called for redemption shall be due and payable at the redemption price provided for the redemption of such Bonds on such date and, moneys for payment of the redemption price being held in a separate account by the Paying Agent in trust for the Owners of the Bonds to be redeemed, interest on the Bonds called for redemption shall cease to be entitled to any benefit under this Master Indenture, and the Owners of such Bonds shall have no rights in respect thereof, except to receive payment of the redemption price thereof, and interest, if any, accrued thereon to the redemption date, and such Bonds shall no longer be deemed to be Outstanding.

**Section 304. Cancellation.** Bonds called for redemption shall be canceled upon the surrender thereof.

### ARTICLE IV ACQUISITION AND CONSTRUCTION FUND

**Section 401. Acquisition and Construction Fund.** There is created and established by Section 502 hereof a fund designated as the "Acquisition and Construction Fund" which shall be held by the Trustee and to the credit of the Series Acquisition and Construction Accounts there shall be deposited the amounts specified in the Supplemental Indenture relating to such Series of Bonds.

**Section 402. Payments From Acquisition and Construction Fund.** Payments of the Cost of constructing and acquiring a Series Project shall be made from the Acquisition and Construction Fund as herein provided. All such payments shall be

30

subject to the provisions and restrictions set forth in this Article and in Article V hereof, and the District covenants that it will not request any sums to be paid from the Acquisition and Construction Fund except in accordance with such provisions and restrictions. Moneys in the Acquisition and Construction Fund shall be disbursed by check, voucher, order, draft, certificate or warrant signed by any one or more officers or employees of the Trustee legally authorized to sign such items or by wire transfer to an account specified by the payee upon satisfaction of the conditions for disbursement set forth in Section 503(b) hereof.

**Section 403. Cost of Project.** For the purposes of this Master Indenture, the Cost of the Series Project shall include, without intending thereby to limit or to restrict or expand any proper definition of such cost under the Act, other applicable provisions of Florida law, or this Master Indenture, the following:

(i). **Expenses of Bond Issuance.** All expenses and fees relating to the issuance of the Bonds, including, but not limited to, initial Credit and Liquidity Facility fees and costs, attorneys' fees, underwriting fees and discounts, the Trustee's acceptance fees, expenses and Trustee's counsel fees and costs, rating agency fees, fees of financial advisors, engineer's fees and costs, administrative expenses of the District, the costs of preparing audits and engineering reports, the costs of preparing reports, surveys, and studies, and the costs of printing the Bonds and preliminary and final disclosure documents.

(ii). **Accrued and Capitalized Interest.** Any interest accruing on the Bonds from their date through the first Interest Payment Date received from the proceeds of the Bonds (to be deposited into the related Series Interest Account) and Capitalized Interest (to be deposited into the related Series Interest Account or Capitalized Interest Account) as may be authorized or provided for by a Supplemental Indenture related to a Series of Bonds. Notwithstanding the deposit of Capitalized Interest into the related Series Capitalized Interest Account or Interest Account, Capitalized Interest shall also include any amount directed by the District to the Trustee in writing to be withdrawn from the related Series Acquisition and Construction Account and deposited into such Capitalized Interest Account or Interest Account, provided that such direction includes a certification that such amount represents earnings on amounts on deposit in the related Series Acquisition and Construction Account and that, after

31

(xii). Amounts to repay temporary or bond anticipation notes or loans made to finance any costs permitted under the Act.

(xiii). Costs incurred to enforce remedies against contractors, subcontractors, any provider of labor, material, services or any other person for a default or breach under the corresponding contract, or in connection with any dispute.

(xiv). Premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same.

(xv). Expenses of Project management and supervision.

(xvi). Costs of effecting compliance with any and all governmental permits relating to the Project.

(xvii). Any other "cost" or expense as provided by the Act.

(xviii). **Refinancing Costs.** All costs described in (i) through (xvii) above or otherwise permitted by the Act associated with refinancing or repaying any loan or other debt obligation, of the District.

**Section 404. Disposition of Balances in Acquisition and Construction Fund.** On the Date of Completion of a Series Project, the balance in the related Series Acquisition and Construction Account not reserved for the payment of any remaining part of the Cost of the Series Project shall be transferred by the Trustee to the credit of the Series Redemption Account, and used for the purposes set forth for such Account in the Supplemental Indenture relating to such Series of Bonds.

#### ARTICLE V ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

**Section 501. Lien.** There is hereby irrevocably pledged for the payment of the Bonds of each Series issued hereunder, subject only to the provisions of this Master Indenture and any Supplemental Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Master Indenture and any such Supplemental Indenture with respect to each Series of Bonds, the Trust Estate; provided, however, that unless otherwise specifically

33

such deposit, the amount on deposit in such Acquisition and Construction Account, together with earnings thereon will be sufficient to complete the related Series Project which is to be funded from such Acquisition and Construction Account.

(iii). **Acquisition Expenses.** The costs of acquiring, by purchase or condemnation, all of the land, structures, improvements, rights-of-law, franchises, easements, plans and specifications and similar items and other interests in property, whether real or personal, tangible or intangible, which themselves constitute the Project or which are necessary or convenient to acquire, install and construct the Project and payments, contributions, dedications, taxes, assessments or permit fees or costs and any other exactions required as a condition to receive any government approval or permit necessary to accomplish any District purpose.

(iv). **Construction Expense.** All costs incurred including interest charges, for labor and materials, including equipment, machinery and fixtures, by contractors, builders, and materialmen in connection with the acquisition, installation and construction of the Project, and including without limitation costs incident to the award of contracts.

(v). **Other Professional Fees and Miscellaneous Expenses.** All legal, architectural, engineering survey, and consulting fees, as well as all financing charges, taxes, insurance premiums, and miscellaneous expenses, not specifically referred to in this Master Indenture that are incurred in connection with the acquisition and construction of the Project.

(vi). Expenses of determining the feasibility or practicality of acquisition, construction, installation, or reconstruction.

(vii). Costs of surveys, estimates, plans and specifications.

(viii). Costs of improvements.

(ix). Financing charges.

(x). Creation of initial reserve and debt service funds.

(xi). Working capital.

32

provided herein or in a Supplemental Indenture relating to a Series of Bonds with respect to the Trust Estate securing such Series of Bonds, the Pledged Funds and Pledged Revenues securing a Series of Bonds shall secure only such Series of Bonds and shall not secure any other Bonds or Series of Bonds.

The foregoing pledge shall be valid and binding from and after the date of initial delivery of the Bonds and the proceeds of sale of the Bonds and all the moneys, securities and funds set forth in this Section 501 shall immediately be subject to the lien of the foregoing pledge, which lien is hereby created, without any physical delivery thereof or further act. Such lien shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the District or the Trustee, irrespective of whether such parties have notice thereof. Such lien shall be prior and superior to all other liens now existing or hereafter created.

**Section 502. Establishment of Funds and Accounts.** The following funds and accounts are hereby established and shall be held by the Trustee:

(a) Acquisition and Construction Fund, and within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a separate Series Acquisition and Construction Account and a Series Costs of Issuance Account for each Series of Bonds issued hereunder;

(b). Revenue Fund, and within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a separate Series Revenue Account for each Series issued hereunder;

(c). Debt Service Fund, and within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a separate Series Debt Service Account and within such Series Debt Service Account,

(i) a Series Interest Account,

(ii) a Series Principal Account,

(iii) a Series Sinking Fund Account,

34

(iv) a Series Redemption Account and therein a Prepayment Subaccount and an Optional Redemption Subaccount, and

(v) a Capitalized Interest Account

for each such series of Bonds issued hereunder;

(d) Reserve Fund, and within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a separate Series Reserve Account for each such Series of Bonds issued hereunder and any Bonds issued on a parity with any such Series of Bonds hereunder; and

(e) Rebate Fund, and within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a separate Series Rebate Account for each such Series of Tax Exempt Bonds issued hereunder.

Notwithstanding the foregoing, the Supplemental Indenture authorizing any Series of Bonds may establish such other Series Accounts or dispense with the Series Accounts set forth above as shall be deemed advisable by the District in connection with such Series of Bonds.

#### **Section 503. Acquisition and Construction Fund.**

(a) Deposits. The District shall pay to the Trustee, for deposit into the related Acquisition and Construction Account in the Acquisition and Construction Fund, as promptly as practicable, the following amounts received by it:

(1) the amount set forth in the Supplemental Indenture relating to such Series of Bonds;

(2) subject to Section 806 hereof, payments made to the District from the sale, lease or other disposition of the Series Project or any portion thereof;

(3) the balance of insurance proceeds with respect to the loss or destruction of the Series Project or any portion thereof; and

(4) such other amounts as may be provided in a Supplemental Indenture.

35

deposit all Prepayments, when received, into the related Series Redemption Account, unless otherwise provided for in the Supplemental Indenture relating to a Series of Bonds.

#### **Section 505. Debt Service Fund and Series Debt Service Account.**

(a) **Principal, Maturity Amount, Interest and Amortization Installments.** On the Business Day preceding each Interest Payment Date on the Bonds, the Trustee shall withdraw from the Series Revenue Account and, from the amount so withdrawn, shall make the following deposits in the following order of priority:

(i) to the credit of the related Series Interest Account, an amount which, together with other amounts, if any, then on deposit therein will equal the amount of interest payable on the Bonds of such Series on such Interest Payment Date;

(ii) to the related Series Principal Account, an amount which, together with other amounts, if any, then on deposit therein will equal the principal amount, if any, payable with respect to Serial Bonds of such Series on such Interest Payment Date;

(iii) in each Bond Year in which Term Bonds of such Series are subject to mandatory redemption from Amortization Installments, to the related Series Sinking Fund Account, an amount which, together with other amounts, if any, then on deposit therein, will equal the Amortization Installment payable on the Term Bonds of such Series on such Interest Payment Date;

(iv) in each Bond Year in which Capital Appreciation Bonds of such Series mature to the related Series Principal Account, an amount which, together with other amounts, if any, then on deposit therein, will equal the Maturity Amount payable with respect to the Capital Appreciation Bonds of such Series maturing on such Interest Payment Date;

(v) to the credit of the Series Reserve Account, an amount, if any, which, together with the amount then on deposit therein, will equal the Series Reserve Account Requirement; and

37

Amounts in such Acquisition and Construction Account shall be applied to the Cost of the Series Project; provided, however, that if any amounts remain in the Acquisition and Construction Account after the Date of Completion, and if such amounts are not reserved for payment of any remaining part of the Cost of the Series Project, such amounts shall be applied in the manner set forth in Section 404 above.

(b) Disbursements. Unless otherwise provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds, payments from a Series Acquisition and Construction Account shall be paid in accordance with the provisions of this subsection (b). Before any such payment shall be made, the District shall file with the Trustee a requisition in the form of Exhibit A hereto, signed by an Authorized Officer.

Upon receipt of each such requisition and accompanying certificate the Trustee shall promptly withdraw from the Series Acquisition and Construction Account and pay to the person, firm or corporation named in such requisition the amount designated in such requisition. The Trustee shall have no duty to investigate the accuracy or validity of the items delivered pursuant to this Section 503(b).

(c) Inspection. All requisitions and certificates received by the Trustee pursuant to this Article shall be retained in the possession of the Trustee, subject at all reasonable times to the inspection of the District, the Consulting Engineer, the Owner of any Bonds of the related Series, and the agents and representatives thereof.

(d) Completion of Series Project. On the Date of Completion, the balance in the Acquisition and Construction Account not reserved by the District for the payment of any remaining part of the Cost of acquiring or constructing the Series Project shall be applied in accordance with the provisions of Section 404 hereof.

**Section 504. Revenue Fund and Series Revenue Accounts.** The District hereby covenants and agrees that it will assess, impose, establish and collect the Pledged Revenues with respect to each Series of Bonds in amounts and at times sufficient to pay, when due, the principal of, premium, if any, and interest on such Series of Bonds. The District hereby covenants and agrees to immediately deposit upon receipt of all such Pledged Revenues (except Prepayments), when received, into the related Series Revenue Account and to immediately

36

(vi) to the credit of the Series Rebate Account the Rebate Amount, if any, required to be deposited therein pursuant to the Supplemental Indenture related to a Series of Tax Exempt Bonds.

Notwithstanding the foregoing, so long as there are moneys on deposit in the related Series Capitalized Interest Account on the date required for any transfer into the Series Interest Account as set forth above, the Trustee shall, prior to making any transfer into the related Series Interest Account from the related Series Revenue Account, transfer to the related Series Interest Account from the related Series Capitalized Interest Account, the lesser of the interest on such Series of Bonds coming due on the next succeeding Interest Payment Date or the amount remaining on deposit in the related Series Capitalized Interest Account.

(b) **Disposition of Remaining Amounts on Deposit in Series Revenue Account.** The District shall authorize the withdrawal, from time to time, from the Series Revenue Account an amount sufficient to pay the fees and charges of the Trustee, Bond Registrar, and Paying Agent, when due. Subject to the provisions of Section 604 hereof, if (i) the amount on deposit in the Series Interest Account, Series Principal Account, and Series Redemption Account in each Bond year equals the interest payable on the Bonds of such Series in such Bond Year, the principal amount of Serial Bonds payable in such Bond Year, the Maturity Amount of all Capital Appreciation Bonds due in such Bond Year and the Amortization Installment required to be paid into the Series Redemption Account in such Bond Year, and (ii) any amounts remain in the Series Revenue Account, then, such amounts shall, at the written direction of the District, be applied to pay the commissions, fees, costs and any other charges of the Tax Collector and the Property Appraiser, or, if such commissions, fees, costs, or other charges have been paid by the District, then to reimburse the District for such payment upon written request of an Authorized Officer. If, after such amounts have been withdrawn, paid and provided for as provided above, any amounts remain in the Series Revenue Account, such amounts shall be disbursed to the District on written request of an Authorized Officer and applied to pay the operating and administrative costs and expenses of the District. After making the payments provided for in this subsection (b), the balance, if any, remaining in the Series Revenue Account shall be retained

38

therein, or, at the written direction of an Authorized Officer to the Trustee, transferred into the Series Redemption Account.

(c) **Series Reserve Account.** Moneys held for the credit of a Series Reserve Account shall be used for the purpose of paying interest or principal or Amortization Installment or Maturity Amount on the Bonds of the related Series whenever amounts on deposit in the Series Debt Service Account shall be insufficient for such purpose.

(d) **Series Debt Service Account.** Moneys held for the credit of a Series Principal Account and Series Interest Account in a Series Debt Service Account shall be withdrawn therefrom by the Trustee and transferred by the Trustee to the Paying Agent in amounts and at times sufficient to pay, when due, the interest on the Bonds of such Series, the principal of Serial Bonds of such Series, the Maturity Amount of Capital Appreciation Bonds of such Series and to redeem Term Bonds of such Series that are subject to mandatory redemption from Amortization Installments, as the case may be.

(e) **Series Redemption Account.** Moneys representing Prepayments on deposit in a Series Redemption Account to the full extent of a multiple of an Authorized Denomination shall unless otherwise provided in the Supplemental Indenture relating to such Series of Bonds, be used by the Trustee to redeem Bonds of such Series on the earliest date on which such Bonds are permitted to be called without payment of premium by the terms hereof (including extraordinary or extraordinary mandatory redemption) and of the Supplemental Indenture relating to such Series of Bonds. Such redemption shall be made pursuant to the provisions of Article III. The District shall pay all expenses incurred by the Trustee and Paying Agent in connection with such redemption. Moneys other than from Prepayments shall be held and applied in a Series Redemption Account as provided in Section 506(a) hereof.

(f) **Payment to the District.** When no Bonds of a Series remain Outstanding, and after all expenses and charges herein and in the related Supplemental Indenture required to be paid have been paid as certified to the Trustee in writing by an Authorized officer, and after all amounts due and owing to the Trustee have been paid in full, the Trustee shall pay any balance in the Series Accounts for such Series of Bonds to the District upon the written direction of an Authorized Officer, free and clear of any lien and pledge created by this Master

39

related Series Interest Account and the principal portion of the purchase price of Serial Bonds from the related Series Principal Account, but no such purchase shall be made after the Record Date in any Bond Year in which Bonds have been called for redemption. To the extent that insufficient moneys are on deposit in a related Series Interest Account to pay the accrued interest portion of the purchase price of any Bonds or in a related Series Principal Account to pay the principal amount of the purchase price of any Serial Bond, the Trustee shall transfer into such Accounts from the related Series Revenue Account sufficient moneys to pay such respective amounts. In the event that there are insufficient moneys on deposit in the related Series Principal Account with which to pay the principal portion of the purchase price of any Term Bonds, the Trustee may, at the written direction of the District, transfer moneys into such related Series Principal Account from the related Series Revenue Account to pay the principal amount of such purchase price, but only in an amount no greater than the Amortization Installment related to such Series of Bonds coming due in the current Bond Year calculated after giving effect to any other purchases of Term Bonds during such Bond Year. The Trustee may pay the principal portion of the purchase price of Bonds from the related Series Redemption Account, but only upon delivery of written instructions from an Authorized Officer to the Trustee by the District accompanied by a certificate of an Authorized Officer: (i) stating that sufficient moneys are on deposit in the Redemption Account to pay the purchase price of such Bonds; (ii) setting forth the amounts and maturities of Bonds of such Series which are to be redeemed from such amounts; and (iii) containing cash flows which demonstrate that, after giving effect to the purchase of Bonds in the amounts and maturities set forth in clause (ii) above, the Pledged Revenues to be received by the District in the current and each succeeding Bond Year will be sufficient to pay the principal, Maturity Amount and Amortization Installments of an interest on all Bonds of such Series. The Trustee may pay the principal portion of the purchase price of any Term Bonds from the related Series Principal Account, but only Term Bonds of a maturity having Amortization Installments in the current Bond Year and in the principal amount no greater than the Amortization Installment related to such Series of Bonds coming due in the current Bond Year (calculated after giving effect to any other purchases of Term Bonds during such Bond Year). The Trustee may pay the principal portion of the purchase price of Term Bonds having maturities different from or in amounts greater than set forth in the

41

Indenture; provided, however, that if an Event of Default has occurred and is continuing in the payment of the principal or Maturity Amount of, or interest or premium on the Bonds of any other Series, the Trustee shall pay over and apply any such excess pro rata (based upon the ratio of the aggregate principal amount of such Series to the aggregate principal amount of all Series Outstanding and for which such an Event of Default has occurred and is continuing) to each other Series of Bonds for which such an Event of Default has occurred and is continuing.

#### Section 506. Optional Redemption.

(a) **Excess Amounts in Series Redemption Account.** The Trustee shall, but only at the written direction of an Authorized Officer on or prior to the forty-fifth (45th) day preceding the date of redemption, call for redemption on each Interest Payment Date on which Bonds are subject to optional redemption, from moneys on deposit in a Series Redemption Account such amount of Authorized Denominations of Bonds of such Series then subject to optional redemption as, with the redemption premium, if any, will exhaust such amount as nearly as may be practicable. Such redemption shall be made pursuant to the provisions of Article III. The District shall pay all expenses incurred by the Trustee and Paying Agent in connection with such redemption.

(b) **Purchase of Bonds of a Series.** The District may purchase Bonds of a Series then Outstanding at any time, whether or not such Bonds shall then be subject to redemption, at the most advantageous price obtainable with reasonable diligence, having regard to maturity, option to redeem, rate and price, such price not to exceed the principal of such Bonds plus the amount of the premium, if any, which would be payable on the next redemption date to the Owners of such Bonds under the provisions of this Master Indenture and the Supplemental Indenture pursuant to which such Series of Bonds was issued if such Bonds were called for redemption on such date. Before making each such purchase, the District shall file with the Trustee a statement in writing directing the Trustee to pay the purchase price of the Bonds of such Series so purchased upon their delivery and cancellation, which statement shall set forth a description of such Bonds, the purchase price to be paid therefor, the name of the seller and the place of delivery of the Bonds. The Trustee shall pay the interest accrued on such Bonds to the date of delivery thereof from the

40

next preceding sentence from amounts on deposit in the related Series Principal Account and the Trustee may transfer moneys from the related Series Revenue Account to the related Series Principal Account for such purpose, but only upon delivery of written instructions from an Authorized Officer to the Trustee accompanied by a certificate of an Authorized Officer: (i) stating that sufficient moneys are on deposit in the Series Principal Account, after giving effect to any transfers from the related Series Revenue Account, to pay the principal portion of the purchase price of such Term Bonds; (ii) setting forth the amounts and maturities of Term Bonds of such Series which are to be redeemed from such amounts and the Amortization Installments against which the principal amount of such purchases are to be credited; and (iii) containing cash flow which demonstrate that, after giving effect to the purchase of Term Bonds in the amounts and having the maturities and with the credits against Amortization Installments set forth in clause (ii) above and any transfers from the related Series Revenue Account, the Pledged Revenues to be received by the District in the current and in each succeeding Bond Year will be sufficient to pay the principal, Maturity Amount and Amortization Installments of and interest on all Bonds of such Series. If any Bonds are purchased pursuant to this Subsection (b), the principal amount of the Bonds so purchased shall be credited as follows:

(i) if the Bonds are to be purchased from amounts on deposit in the Prepayment Subaccount of a Series Redemption Account, against the principal coming due or Amortization Installments set forth in the certificate of the Authorized Officer accompanying the direction of the District to effect such purchase; or

(ii) if the Bonds are Term Bonds of a Series, against the Amortization Installment for Bonds of such Series first coming due in the current Bond Year, or, if such Term Bonds so purchased are to be credited against Amortization Installments coming due in any succeeding Bond Year, against the Amortization Installments on Term Bonds of such Series maturing on the same date and designated in the certificate of the Authorized Officer accompanying the direction of the District to effect such purchase; or

(iii) against the principal or Maturity Amount of Serial Bonds coming due on the maturity date of such Serial Bond.

42

**Section 507. Rebate Fund and Series Rebate Accounts.**

(a) **Creation.** There is hereby created and established a Rebate Fund, and within the Rebate Fund a Series Rebate Account for each Series of Tax Exempt Bonds. Moneys deposited and held in the Rebate Fund shall not be subject to the pledge of this Master Indenture.

(b) **Payment to United States.** The Trustee shall pay to the District upon written request of the District, the Rebate Amount required to be paid to the United States at the times, in the manner and as calculated in accordance with the Supplemental Indenture related to a Series of Tax Exempt Bonds. The Trustee shall have no responsibility for computation of the Rebate Amount and instead the District shall cause the Rebate Amount to be calculated by the Rebate Analyst and shall cause the Rebate Analyst to deliver such computation to the Trustee as provided in the Supplemental Indenture related to a Series of Tax Exempt Bonds but before the date of any required payment of the Rebate Amount to the Internal Revenue Service. The fees of, and expenses incurred by, the Rebate Analyst in computing the Rebate Amount shall be paid by the District, which amount shall be treated as administrative and operating expenses of the District payable or reimbursable from the Series Revenue Account in accordance with Section 505(b) hereof.

(c) **Deficiencies.** If the Trustee does not have on deposit in the Series Rebate Account sufficient amounts to make the payments required by this Section, the District shall pay, from any legally available source, the amount of any such deficiency to the United States as in paragraph (b) above provided.

(d) **Survival.** The covenants and agreements of the District in this Section 507 and Section 809, and, any additional covenants related to compliance with provisions necessary in order to preserve the exclusion of interest on the Bonds of a Series from gross income for Federal income tax purposes shall survive the defeasance of the Bonds of such Series in accordance with Article XII hereof.

**Section 508. Investment of Funds and Accounts.** Unless otherwise provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds, moneys held for the credit of the Series Accounts shall be invested as hereinafter in this Section 508 provided.

43

(d) **Valuation.** In computing the value of the assets of any Fund or Account, investments and earnings thereon shall be deemed a part thereof. The Trustee shall value the assets in each of the Funds and Accounts established hereunder as of September 30 of each Fiscal Year, and as soon as practicable after each such valuation date (but no later than ten (10) days after each such valuation date) shall provide the District a report of the status of each Fund and Account as of the valuation date. For the purpose of determining the amount on deposit to the credit of any Fund or Account established hereunder, with the exception of a Series Reserve Account, obligations in which money in such Fund or Account shall have been invested shall be valued at the market value or the amortized cost thereof, whichever is lower, or at the redemption price thereof, to the extent that any such obligation is then redeemable at the option of the holder. For the purpose of determining the amount on deposit to the credit of a Series Reserve Account, obligations in which money in such Account shall have been invested shall be valued at par, if purchased at par, or at amortized cost, if purchased at other than par, plus, in each case, accrued interest. Amortized cost, when used with respect to an obligation purchased at a premium above or a discount below par, means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of days remaining to maturity on such obligation at the date of such purchase and by multiplying the amount thus calculated by the number of days having passed since such purchase; and (1) in the case of an obligation purchased at a premium by deducting the product thus obtained from the purchase price, and (2) in the case of an obligation purchased at a discount by adding the product thus obtained to the purchase price.

**Section 509. Deficiencies and Surpluses in Funds.** For purposes of this Section: (a) a "deficiency" shall mean, in the case of a Series Reserve Account, that the amount on deposit therein is less than the Series Reserve Account Requirement (but only after the Bond Year in which the amount on deposit therein is less than the Series Reserve Account Requirement (but only after the Bond Year in which the amount on deposit therein first equals the Series Reserve Account Requirement), and (b) a "surplus" shall mean in the case of a Series Reserve Account, that the amount on deposit therein is in excess of the applicable Series Reserve Account Requirement.

45

(a) **Series Acquisition and Construction Account, Revenue Account and Debt Service Account.** Moneys held for the credit of a Series Acquisition and Construction Account, the Series Revenue Account, and the Series Debt Service Account shall, as nearly as may be practicable, be continuously invested and reinvested by the Trustee in Investment Obligations as directed in writing by an Authorized Officer, which Investment Obligations shall mature, or shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates, as estimated by an Authorized Officer, when moneys held for the credit of each such Series Account will be required for the purposes intended.

(b) **Series Reserve Account.** Moneys held for the credit of a Series Reserve Account shall be continuously invested and reinvested by the Trustee in Investment Obligations as directed in writing by an Authorized Officer.

(c) **Investment Obligations as a Part of Funds and Accounts.** Investment Obligations purchased as an investment of moneys in any Fund or Account shall be deemed at all times to be a part of such Fund or Account, and the interest accruing thereon and profit realized from such investment shall be credited as provided in Section 510 hereof. Any loss resulting from such investment shall be charged to such Fund or Account. The foregoing notwithstanding, for purposes of investment and to the extent permitted by law, amounts on deposit in any Fund or Account may be commingled for purposes of investment, provided adequate care is taken to account for such amounts in accordance with the prior sentence. The Trustee may, upon the written direction of an Authorized Officer, transfer investments within such Funds or Accounts without being required to sell such investments. The Trustee shall sell at the best price obtainable or present for redemption any obligations so purchased whenever it shall be necessary so to do in order to provide moneys to meet any payment or transfer from any such Fund or Account. The Trustee shall not be liable or responsible for any loss resulting from any such investment or for failure to make an investment (except failure to make an investment in accordance with the written direction of an Authorized Officer) or for failure to achieve the maximum possible earnings on investments. The Trustee shall have no obligation to invest funds without written direction from an Authorized Officer.

44

At the time of any withdrawal from a Series Reserve Account that results in a deficiency therein, the Trustee shall promptly notify the District of the amount of any such deficiency and the Trustee shall withdraw the amount of such deficiency from the related Series Revenue Account, and, if amounts on deposit therein are insufficient therefor, the District shall pay the amount of such deficiency to the Trustee, for deposit in such Series Reserve Account, from the first legally available sources of the District.

The Trustee, as of the close of business on the last Business Day in each Bond Year, after taking into account all payments and transfers made as of such date, shall compute, in the manner set forth in Section 508(d), the value of the Series Reserve Account and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such Series Reserve Account. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit in the Series Reserve Account, from any legally available sources of the District. The Trustee, as soon as practicable after such computation, shall deposit any surplus, at the direction of an Authorized Officer, to the credit of the Series Redemption Account or the Series Principal Account.

**Section 510. Investment Income.** Unless provided otherwise in a Supplemental Indenture, earnings on Investments in a Series Acquisition and Construction Account, a Series Interest Account and a Series Revenue Account shall be deposited, as realized, to the credit of such Series Account and used for the purpose of such Account. Unless provided in a Supplemental Indenture, earnings on investments in a Series Principal Account and Redemption Account shall be deposited, as realized, to the credit of such Series Interest Account and used for the purpose of such Account.

Earnings on investments in a Series Reserve Account shall unless otherwise therein provided in a Supplemental Indenture be disposed of as follows:

(a) if there was no deficiency (as defined in Section 509 above) in the Series Reserve Account as of the most recent date on which amounts on deposit in the Series Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series Reserve Account since such date, then earnings on investments in the

46

Series Reserve Account shall be deposited, as realized, in the Series Revenue Account.

(b) if as of the last date on which amounts on deposit in the Series Reserve Account were valued by the Trustee there was a deficiency (as defined in Section 509 above) in the Series Reserve Account, or if after such date withdrawals have been made from the Series Reserve Account and have created such a deficiency, then earnings on investments in the Series Reserve Account shall be deposited to the credit of the Series Reserve Account until the amount on deposit therein equals the Series Reserve Account Requirement and thereafter shall be deposited to the Series Revenue Account

**Section 511. Cancellation of the Bonds.** All Bonds paid, redeemed or purchased, either at or before maturity, shall be canceled upon the payment, redemption or purchase of such Bonds. All Bonds canceled under any of the provisions of this Master Indenture shall be destroyed by the Paying Agent, which shall execute a certificate in duplicate describing the Bonds so destroyed. One executed certificate shall be filed with the Trustee and the other executed certificate shall be retained by the Paying Agent.

#### ARTICLE VI CONCERNING THE TRUSTEE

**Section 601. Acceptance of Trust.** The Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article, to all of which the parties hereto and the Owners agree. The Trustee shall have only those duties expressly set forth herein, and no duties shall be implied against the Trustee.

**Section 602. No Responsibility for Recitals.** The recitals, statements and representations in this Master Indenture, in any Supplemental Indenture or in the Bonds, save only the Trustee's authentication certificate, if any, upon the Bonds, have been made by the District and not by the Trustee; and the Trustee shall be under no responsibility for the correctness thereof.

**Section 603. Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Gross Negligence.** The Trustee may execute any powers hereunder and perform any

47

**Section 605. No Duty to Renew Insurance.** The Trustee shall be under no duty to effect or to renew any insurance policy nor shall it incur any liability for the failure of the District to require or effect or renew insurance or to report or file claims of loss thereunder.

**Section 606. Notice of Default; Right to Investigate.** The Trustee shall give written notice, as soon as practicable, by first-class mail to registered Owners of Bonds of all defaults of which the Trustee has actual knowledge, unless such defaults have been remedied (the term "defaults" for purposes of this Section and Section 607 being defined to include the events specified as "Events of Default" in Section 902 hereof, but not including any notice or periods of grace provided for therein) or if the Trustee based upon the advice of counsel upon which the Trustee is entitled to rely, determines that the giving of such notice is not in the best interests of the Owners of the Bonds. The Trustee will be deemed to have actual knowledge of any payment default under this Master Indenture or under any Supplemental Indenture and, after receipt of written notice thereof by a Credit Facility issuer or a Liquidity Facility issuer of a default under its respective reimbursement agreement, but shall not be deemed to have actual knowledge of any other default unless notified in writing of such default by the Owners of at least 25% in aggregate principal amount of the Outstanding Bonds. The Trustee may, however, at any time require of the District full information as to the performance of any covenant hereunder; and if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made, at the expense of the District, an investigation into the affairs of the District.

**Section 607. Obligation to Act on Default.** Before taking any action under this Master Indenture or any Supplemental Indenture in respect of an Event of Default, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability resulting from its own gross negligence or willful misconduct in connection with any such action.

**Section 608. Reliance by Trustee.** The Trustee may act on any requisition, resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document or telephone message which it in good faith believes to be genuine and to have been passed, signed or given by the proper persons or to have been prepared and furnished pursuant to any of the

49

duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of counsel concerning all questions hereunder, and the Trustee shall not be answerable for the default or misconduct of any attorney, agent or employee selected by it with reasonable care. In performance of its duties hereunder, the Trustee may rely on the advice of counsel and shall not be held liable for actions taken in reliance on the advice of counsel. The Trustee shall not be answerable for the exercise of any discretion or power under this Master Indenture or any Supplemental Indenture nor for anything whatever in connection with the trust hereunder, except only its own gross negligence or willful misconduct.

**Section 604. Compensation and Indemnity.** The District shall pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, including the reasonable fees and expenses of Trustee's counsel, and to the extent permitted under Florida law shall indemnify the Trustee and hold the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder except with respect to its own negligence or misconduct. The Trustee shall have no duty in connection with its responsibilities hereunder to advance its own funds nor shall the Trustee have any duty to take any action hereunder without first having received indemnification satisfactory to it. If the District defaults in respect of the foregoing obligations, the Trustee may deduct the amount owing to it from any moneys received by the Trustee under this Master Indenture or any Supplemental Indenture and payable to the District other than moneys from a Credit Facility or a Liquidity Facility. This provision shall survive termination of this Master Indenture and any Supplemental Indenture, and as to any Trustee, its resignation or removal thereof. As security for the foregoing, the District hereby grants to the Trustee a security interest in and to the amounts of deposit in all Series Funds and Accounts (other than the Rebate Fund) thereby, in effect, granting the Trustee a first charge against these moneys following an Event of Default for its fees and expenses (including legal counsel and default administration costs and expenses), subordinate and inferior to the security interest granted to the Owners of the Bonds from time to time secured thereby, but nevertheless payable in the order of priority as set forth in Section 905(a) upon the occurrence of an Event of Default.

48

provisions of this Master Indenture or any Supplemental Indenture; and the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement.

**Section 609. Trustee May Deal in Bonds.** The Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Owners may be entitled to take with like effect as if the Trustee were not a party to this Master Indenture or any Supplemental Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the District.

**Section 610. Construction of Ambiguous Provision.** The Trustee may construe any ambiguous or inconsistent provisions of this Master Indenture or any Supplemental Indenture and any construction by the Trustee shall be binding upon the Owners. The Trustee shall give prompt written notice to the District of any intention to make such construal.

**Section 611. Resignation of Trustee.** The Trustee may resign and be discharged of the trusts created by this Master Indenture by written resignation filed with the Secretary of the District not less than sixty (60) days before the date when such resignation is to take effect; provided that notice of such resignation shall be sent by first-class mail to each Owner as its name and address appears on the Bond Register and to any Paying Agent, Bond Registrar, any Credit Facility issuer, and any Liquidity Facility issuer, at least sixty (60) days before the resignation is to take effect. Such resignation shall take effect on the day specified in the Trustee's notice of resignation unless a successor Trustee is previously appointed, in which event the resignation shall take effect immediately on the appointment of such successor; provided, however, that notwithstanding the foregoing such resignation shall not take effect until a successor Trustee has been appointed. If a successor Trustee has not been appointed within sixty (60) days after the Trustee has given its notice of resignation, the Trustee may petition any court of competent jurisdiction for the appointment of a temporary successor Trustee to serve as Trustee until a successor Trustee has been duly appointed.

**Section 612. Removal of Trustee.** Any Trustee hereunder may be removed at any time by an instrument appointing a successor to the Trustee so removed, upon application of the District; provided,

50

however, that if an Event of Default has occurred hereunder and is continuing with respect to a Series of Bonds, then the Trustee hereunder may be removed only by an instrument appointing a successor to the Trustee so removed executed by the Owners of a majority in aggregate principal amount of all Bonds Outstanding of the Series as to which Event of Default exists and filed with the Trustee and the District.

The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Master Indenture or any Supplemental Indenture with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the District; provided that no Event of Default has occurred hereunder and is continuing, or upon the application of the Owners of not less than 20% in aggregate principal amount of the Bonds then Outstanding.

**Section 613. Appointment of Successor Trustee.** If the Trustee or any successor Trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the District shall appoint a successor and shall mail notice of such appointment, including the name and address of the applicable corporate trust office of the successor Trustee, by first-class mail to each Owner as its name and address appears on the Bond Register, and to the Paying Agent, Bond Registrar, any Credit Facility issuer and any Liquidity Facility issuer; provided, however, that the District shall not appoint a successor Trustee unless no Event of Default has occurred and is continuing and unless the District shall have received the prior written consent, which consent shall not be unreasonably withheld, of any Credit Facility issuer, and any Liquidity Facility issuer, to the appointment of such successor Trustee. If an Event of Default has occurred hereunder and is continuing and the Trustee or any successor Trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and a successor may be appointed by any court of competent jurisdiction upon the application of the Owners of not less than twenty percent (20%) in aggregate principal amount of the Bonds then Outstanding and such successor Trustee shall mail notice of its

51

requirements of Section 614 hereof, and if such corporation does not meet the aforesaid requirements, a successor Trustee shall be appointed pursuant to this Article VI.

**Section 617. Resignation of Paying Agent or Bond Registrar.** The Paying Agent or Bond Registrar may resign and be discharged of the duties created by this Master Indenture by executing an instrument in writing resigning such duties and specifying the date when such resignation shall take effect, and filing the same with the District and the Trustee not less than sixty (60) days before the date specified in such instrument when such resignation shall take effect, and by giving written notice of such resignation shall take effect, and by giving written notice of such resignation mailed not less than sixty (60) days prior to such resignation date to each Owner as its name and address appear on the registration books of the District maintained by the Bond Registrar. Such resignation shall take effect on the date specified in such notice, unless a successor Paying Agent or Bond Registrar is previously appointed in which event such resignation shall take effect immediately upon the appointment of such successor Paying Agent or Bond Registrar. If the successor Paying Agent or Bond Registrar shall not have been appointed within a period of sixty (60) days following the giving of notice, then the Trustee may appoint a successor Paying Agent or Bond Registrar as provided in Section 619 hereof.

**Section 618. Removal of Paying Agent or Bond Registrar.** The Paying Agent or Bond Registrar may be removed at any time prior to any Event of Default by the District by filing with the Paying Agent or Bond Registrar to be removed, and with the Trustee, an instrument or instruments in writing executed by an Authorized Officer appointing a successor. Such removal shall be effective thirty (30) days (or such longer period as may be set forth in such instrument) after delivery of the instrument; provided, however, that no such removal shall be effective until the successor Paying Agent or Bond Registrar appointed hereunder shall execute, acknowledge and deliver to the District an instrument accepting such appointment hereunder.

**Section 619. Appointment of Successor Paying Agent or Bond Registrar.** In case at any time the Paying Agent or Bond Registrar shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any

53

appointment, including the name and address of the applicable corporate trust office of the successor Trustee, by first-class mail to each Owner as its name and address appears on the Bond Register, and to the Paying Agent, Bond Registrar, any Credit Facility issuer and any Liquidity Facility issuer.

**Section 614. Qualification of Successor Trustee.** A successor Trustee shall be a national bank with trust powers or a bank or trust company with trust powers, having a combined net capital and surplus of at least \$50,000,000, but in no event shall the successor Trustee ever be the Credit Facility issuer or Liquidity Facility issuer.

**Section 615. Instruments of Succession.** Any successor Trustee shall execute, acknowledge and deliver to the District an instrument accepting such appointment hereunder; and thereupon such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named Trustee herein. After withholding from the funds on hand any amounts owed to itself hereunder, the Trustee ceasing to act hereunder shall pay over to the successor Trustee all moneys held by it hereunder; and the Trustee ceasing to act and the District shall execute and deliver an instrument or instruments transferring to the successor Trustee all the estates, properties, rights, powers and trusts hereunder of the Trustee ceasing to act except for the rights granted under Section 604 hereof. The successor Trustee shall mail notice of its appointment, including the name and address of the applicable corporate trust office of the successor Trustee, by first-class mail to each Owner as its name and address appears on the Bond Register, and to the Paying Agent, Bond Registrar, any Credit Facility issuer and any Liquidity Facility issuer.

**Section 616. Merger of Trustee.** Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated or into which all or substantially all of its corporate trust assets shall be sold or its operations conveyed, or any corporation resulting from any merger or consolidation to which any Trustee hereunder shall be a party, shall be the successor Trustee under this Master Indenture, without the execution or filing of any paper or any further act on the part of the parties thereto, anything herein to the contrary notwithstanding; provided, however, that any such successor corporation continuing to act as Trustee hereunder shall meet the

52

other reason, then a vacancy shall forthwith and ipso facto exist in the office of the Paying Agent or Bond Registrar, as the case may be, and a successor shall be appointed by the District; and in case at any time the Paying Agent or Bond Registrar shall resign, then a successor shall be appointed by the District. Upon any such appointment, the District shall give written notice of such appointment to the predecessor Paying Agent or Bond Registrar, the successor Paying Agent or Bond Registrar, the Trustee and all Owners. Any new Paying Agent or Bond Registrar so appointed shall immediately and without further act supersede the predecessor Paying Agent or Bond Registrar.

**Section 620. Qualifications of Successor Paying Agent or Bond Registrar.** Every successor Paying Agent or Bond Registrar (i) shall be a commercial bank or trust company (a) duly organized under the laws of the United States or any state or territory thereof, (b) authorized by law to perform all the duties imposed upon it by this Master Indenture, and (c) capable of meeting its obligations hereunder, and (ii) shall have a combined net capital and surplus of at least \$50,000,000.

**Section 621. Acceptance of Duties by Successor Paying Agent or Bond Registrar.** Any successor Paying Agent or Bond Registrar appointed hereunder shall execute, acknowledge and deliver to the District an instrument accepting such appointment hereunder, and thereupon such successor Paying Agent or Bond Registrar, without any further act, deed or conveyance, shall become duly vested with all the estates property, rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named Paying Agent or Bond Registrar herein. Upon request of such Paying Agent or Bond Registrar, such predecessor Paying Agent or Bond Registrar and the District shall execute and deliver an instrument transferring to such successor Paying Agent or Bond Registrar all the estates, property, rights and powers hereunder of such predecessor Paying Agent or Bond Registrar and such predecessor Paying Agent or registrar shall pay over and deliver to the successor Paying Agent or Bond Registrar all moneys and other assets at the time held by it hereunder.

**Section 622. Successor by Merger or Consolidation.** Any corporation into which any Paying Agent or Bond Registrar hereunder may be merged or converted or with which it may be consolidated or into which substantially all of its corporate trust assets

54

shall be sold or otherwise conveyed, or any corporation resulting from any merger or consolidation to which any Paying Agent or Bond Registrar hereunder shall be a party, shall be the successor Paying Agent or Bond Registrar under this Master Indenture without the execution or filing of any paper or any further act on the part of the parties hereto, anything in this Master Indenture to the contrary notwithstanding.

#### ARTICLE VII FUNDS CONSTITUTE TRUST FUNDS

**Section 701. Trust Funds.** Subject to the provisions of Section 604 and Section 905(a) hereof, all amounts on deposit in Series Funds or Accounts for the benefit of a Series of Bonds shall:

(a) be used only for the purposes and in the manner herein and in the Supplemental Indenture relating to such Series of Bonds provided and, pending such application, be held by the Trustee in trust for the benefit of the Owners of such Series of Bonds;

(b) be irrevocably pledged to the payment of such Series of Bonds, except for amounts on deposit in the Series Rebate Accounts in the Rebate Fund;

(c) be held and accounted for separate and apart from all other Funds and Accounts, including Series Accounts of other Series of Bonds, and other funds and accounts of the Trustee and the District;

(d) until applied for the purposes provided herein, be subject to a first lien in favor of the Owners of such Series of Bonds and any *pari passu* obligations to issuers of Credit or Liquidity Facilities with respect to such series of Bonds, which lien is hereby created, prior and superior to all other liens now existing or hereafter created, and, to a second lien in favor of the Trustee, as security for the reasonable compensation for the services of the trustee hereunder, and also all its reasonable expenses and disbursements, including the reasonable fees and expenses of Trustee's counsel, subordinate and inferior to the security interest granted to the Owners of such Series of Bonds and any *pari passu* obligations to issuers of Credit or Liquidity Facilities with respect to such series of Bonds, but nevertheless payable in the order of priority as set forth in Section 905(a) hereof upon the occurrence of an Event of Default; and

55

The Bonds of each Series, this Master Indenture and any Supplemental Indenture are and will be the valid and legally enforceable obligations of the District, enforceable in accordance with their terms except to the extent that enforcement thereof may be subject to bankruptcy and other similar laws affecting creditors' rights generally. The District shall at all times, to the extent permitted by law, defend, preserve and protect the pledge and lien created by this Master Indenture and all the rights of the Owners hereunder against all claims and demands of all other persons whomsoever.

**Section 805. Power to Undertake Series Projects and to Collect Pledged Revenue.** The District has or will have upon the date of issuance of each Series of Bonds, and will have so long as any Bonds are Outstanding, good right and lawful power: (i) to undertake the Series Projects, or it will take such action on its part required which it deems reasonable in order to obtain licenses, orders, permits or other authorizations, if any, from any agency or regulatory body having lawful jurisdiction which must be obtained in order to undertake such Series Project; and (ii) to fix, levy and collect or cause to be collected any and all Pledged Revenues.

**Section 806. Sale of Series Projects.** The District covenants that, until such time as there are no Bonds of a Series Outstanding, it will not sell, lease or otherwise dispose of or encumber the related Series Project or any part thereof other than as provided herein. The District may, however, from time to time, sell any machinery, fixtures, apparatus, tools, instruments, or other movable property acquired by the District in connection with a Series Project, or any materials used in connection therewith, if the District shall determine that such articles are no longer needed or are no longer useful in connection with the acquisition, construction, operation or maintenance of a Series Project, and the proceeds thereof may be applied to the replacement of the properties so sold or disposed of and, if not so applied, shall be deposited to the credit of the related Series Acquisition and Construction Account or, after the Date of Completion of the Series Project, shall be deposited to the credit of the related Series Principal Account. The District may from time to time sell or lease such other property forming part of a Series Project which it may determine is not needed or serves no useful purpose in connection with the maintenance and operation of such Series Project, if the Consulting Engineers shall in writing approve such sale or lease; the proceeds of

57

(e) shall not be subject to lien or attachment by any creditor of the Trustee or any creditor of the District or any other Series of Bonds other than the Owners of such Series of Bonds and the issuers of Credit or Liquidity Facilities with respect to such Series of Bonds.

#### ARTICLE VIII COVENANTS AND AGREEMENTS OF THE DISTRICT

**Section 801. Payment of Bonds.** The District shall duly and punctually pay or cause to be paid, but only from the Trust Estate with respect to each Series of Bonds, Debt Service on the dates, at the places, and in the amounts stated herein, in any Supplemental Indenture, and in the Bonds of such Series.

**Section 802. Extension of Payment of Bonds.** Except as provided in Section 901 hereof, the District shall not directly or indirectly extend the time for payment of the interest on any Bonds. The time for payment of Bonds of any Series shall be the time prescribed in the Supplemental Indenture relating to such Series of Bonds.

**Section 803. Further Assurance.** At any and all times the District shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, moneys, securities and funds hereby pledged or assigned, or intended so to be, or which the District may become bound to pledge or assign after the date of execution of this Master Indenture.

**Section 804. Power to Issue Bonds and Create a Lien.** The District hereby represents to the Trustee and to the Owners that it is and will be duly authorized under all applicable laws to issue the Bonds of each Series, to execute this Master Indenture, to adopt Supplemental Indentures, and to pledge its moneys, securities and funds in the manner and to the extent provided herein. Except as provided herein, the District hereby represents that such moneys, securities and funds of the District are and will be free and clear of any pledge, lien, charge or encumbrance thereon and all action on the part of the District to that end has been and will be duly and validly taken.

56

any such sale shall be disposed of as hereinabove provided for the proceeds of the sale or disposal of movable property. The proceeds of any lease as described above shall be deposited to the credit of the related Series Principal Account or Redemption Account.

Notwithstanding the foregoing, the District may: (i) dispose of all or any part of a Series Project, other than a Series Project the revenues to be derived from the operation of which are pledged to a Series of Bonds, by gift or dedication thereof to any unit of local government, or to the State or any agency or instrumentality of either of the foregoing or the United States Government; and/or (ii) impose, declare or grant title to or interests in the Series Project or a portion or portions thereof in order to create ingress and egress rights and public and private utility easements as the District may deem necessary or desirable for the development, use and occupancy of the property within the District; and/or (iii) impose or declare covenants, conditions and restrictions pertaining to the use, occupancy and operation of the Series Projects.

**Section 807. Completion and Maintenance of Series Projects.** The District shall complete the acquisition and construction of a Series Project with all practical dispatch and in a sound and economical manner. So long as any Series Project is owned by the District, the District shall maintain, preserve and keep the same or cause the same to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation thereof may be properly and advantageously conducted.

#### **Section 808. Accounts and Reports.**

(a) **Annual Report.** The District shall, within thirty days of receipt and approval by the District, so long as any Bonds are Outstanding, deliver to each Requesting Owner (hereinafter defined) and file with the Trustee, solely as a repository of such information, and otherwise as provided by law, a copy of its annual audit for such year, accompanied by an Accountant's Certificate, including: (a) statements in reasonable detail of its financial condition as of the end of such Fiscal Year and income and expenses for such Fiscal Year, and (b) statements of all receipts and disbursements of the Pledged Revenues of each Series of Bonds (unless the Pledged Revenues of such

58

Series are remitted directly to the Trustee). The Trustee shall, within ninety (90) days after the close of each Fiscal Year so long as any Bonds are Outstanding, file with the District a summary with respect to each Fund and Account of the deposits thereto and disbursements therefrom during such Fiscal Year and the amounts held therein at the end of such Fiscal Year, or at the option of the Trustee, such summary can be made on a monthly basis. For purposes of the foregoing, the term "Requesting Owner" shall mean the Owner (or beneficial owner in the case of book-entry Bonds) of more than \$1,000,000 aggregate principal amount of any Series of Bonds who requests such information in writing to the District.

(b) **No Default Certificate.** The District shall file with the Trustee, so long as any Bonds are Outstanding, a certificate of an Authorized Officer upon the occurrence of an Event of Default as described in Section 902(g) hereof, such certificate to contain a description of the nature of such default and actions taken or to be taken to remedy with default.

(c) **Inspection.** The reports, statements and other documents required to be furnished by the District to the Trustee and by the Trustee to the District pursuant to any provisions hereof shall be available for inspection by any Owner at the designated corporate trust office of the Trustee upon the giving of at least five (5) days advance written notice to the Trustee.

(d) **Reports Pursuant to Uniform Special District Accountability Act of 1989.** The District covenants and agrees that it will comply with the provisions of Chapter 189.401 et seq., Florida Statutes, as amended, the Uniform Special District Accountability Act of 1989, to the extent applicable to the District, including any reporting requirements contained therein which are applicable to the District. The District may contract with a service provider selected by the District to ensure such compliance.

**Section 809. Arbitrage and Other Tax Covenants.** The District hereby covenants that it will not take any action, and will not fail to take any action, which action or failure would cause the Tax Exempt Bonds to become "arbitrage bonds" as defined in Section 148 of the Internal Revenue Code of 1986. The District further covenants that it will take all such actions after delivery of any Tax Exempt Bonds as may be required in order for interest on such Tax Exempt Bonds to

59

and Sections 190.026 and/or 170.10, Florida Statutes, or otherwise as provided by law. The District further covenants to furnish, at its expense, to any Owner of Bonds of the related Series so requesting, sixty (60) days after the due date of each annual installment, a list of all Delinquent Assessments together with a copy of the District's annual audit, and a list of foreclosure actions currently in progress and the current status of such Delinquent Assessments.

**Section 813. Deposit of Proceeds from Sale of Tax Certificates.** If any tax certificates relating to Delinquent Assessments which are pledged to a Series of Bonds are sold by the Tax Collector pursuant to the provisions of Section 197.432, Florida Statutes, or if any such tax certificates are not sold but are later redeemed, the proceeds of such sale or redemption (to the extent that such proceeds relate to the Assessments), less any commission or other charges retained by the Tax Collector, shall, if paid by the Tax Collector to the District, be paid by the District to the Trustee not later than five (5) Business Days following receipt of such proceeds by the District and shall be deposited by the Trustee to the credit of the related Series Revenue Account.

**Section 814. Sale of Tax Deed or Foreclosure of Assessment or Benefit Special Assessment Lien.** If any property shall be offered for sale for the nonpayment of any Assessment, which is pledged to a Series of Bonds, and no person or persons shall purchase such property for an amount equal to the full amount due on the Assessments or Benefit Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount equal to the balance due on the Assessments or Benefit Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name title to the property for the benefit of the Owners of the Series of Bonds to which such Assessments or Benefit Special Assessments were pledged. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the related Series Revenue Account. Not less than ten (10) days prior to the filing of any foreclosure action as herein provided, the District shall cause written notice thereof to be mailed to any designated agents of the Owners of the related Series of

61

remain excludable from gross income (as defined in Section 61 of the Internal Revenue Code of 1986) of the Owners. Without limiting the generality of the foregoing, the District hereby covenants that it will to the extent not remitted by the Trustee from funds held in the Rebate Account, remit to the United States that Rebate Amount at the time and place required by this Master Indenture and any Supplemental Indenture, including any Tax Regulatory Covenants contained therein.

**Section 810. Enforcement of Payment of Assessment.** The District will assess, levy, collect or cause to be collected and enforce the payment of Assessments, Benefit Special Assessments, and/or any other sources which constitute Pledged Revenues for the payment of any Series of Bonds in the manner prescribed by this Master Indenture, any Supplemental Indenture and all resolutions, ordinances or laws thereunto appertaining at times and in amounts as shall be necessary in order to pay, when due, the principal of and interest on the Series of Bonds to which such Pledged Revenues are pledged; and to pay or cause to be paid the proceeds of such Assessments as received to the Trustee in accordance with the provisions hereof.

**Section 811. Method of Collection of Assessments and Benefit Special Assessments.** The District shall levy and collect Assessments and Benefit Special Assessment in accordance with applicable Florida law.

**Section 812. Delinquent Assessment.** If the owner of any lot or parcel of land shall be delinquent in the payment of any Assessment or Benefit Special Assessment, pledged to a Series of Bonds, then such Assessment or Benefit Special Assessments, shall be enforced in accordance with the provisions of Chapters 170 and/or 197, Florida Statutes, including but not limited to the sale of tax certificates and tax deed as regards such Delinquent Assessment. In the event the provisions of Chapter 197, Florida Statutes, are inapplicable or unavailable, then upon the delinquency of any Assessment or Benefit Special Assessments, the District either on its own behalf, or through the actions of the Trustee, may, but is not obligated to, and shall at the written direction of the Beneficial Owners of at least fifty (50%) of the Outstanding Bonds of the Series, declare the entire unpaid balance of such Assessment or Benefit Special Assessment, to be in default and, at its own expense, cause such delinquent property to be foreclosed in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate, or pursuant to the provisions of Chapter 173,

60

Bonds. Not less than thirty (30) days prior to the proposed sale of any lot or tract of land acquired by foreclosure by the District, it shall give written notice thereof to such representatives. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for sale of property acquired by it as trustee for the Owners of the related Series of Bonds within thirty (30) days after the receipt of the request therefor signed by the Trustee or the Owners of at least fifteen percent (15%) in aggregate principal amount of the Outstanding Bonds of such Series.

**Section 815. Other Obligations Payable from Assessments or Benefit Special Assessments.** The District will not issue or incur any obligations payable from the proceeds of Assessments or Benefit Special Assessments securing a Series of Bonds nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge upon such Assessments or Benefit Special Assessments other than the lien of any Subordinate Debt except for fees, commissions, costs, and other charges payable to the Property Appraiser or to the Tax Collector pursuant to Florida law.

**Section 816. Re-Assessments.** If any Assessments or Benefit Special Assessments shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or the District shall be satisfied that any such Assessments or Benefit Special Assessments is so irregular or defective that it cannot be enforced or collected, or if the District shall have omitted to make such Assessments or Benefit Special Assessments when it might have done so, the District shall either: (i) take all necessary steps to cause a new Assessment or Benefit Special Assessment to be made for the whole or any part of such improvement or against any property benefited by such improvement; or (ii) in its sole discretion, make up the amount of such Assessment or Benefit Special Assessment from legally available moneys, which moneys shall be deposited into the related Series Revenue Account. In case any such subsequent Assessment or Benefit Special Assessment shall also be annulled, the District shall obtain and make other Assessments or Benefit Special Assessments until a valid Assessment or Benefit Special Assessment shall be made.

**Section 817. General.** The District shall do and perform or cause to be done and performed all acts and things required to be done

62

or performed by or on behalf of the District under law and this Master Indenture, in accordance with the terms of such provisions.

Upon the date of issuance of each Series of Bonds, all conditions, acts and things required by law and this Master Indenture and any Supplemental Indenture to exist, to have happened and to have been performed precedent to and in the issuance of such Series of Bonds shall exist, have happened and have been performed and upon issuance the issue of such Series of Bonds shall be within every debt and other limit prescribed by the laws of the State of Florida applicable to the District.

**Section 818. Secondary Market Disclosure.** The District covenants and agrees with the Owners, from time to time, of the Bonds issued hereunder to make best efforts to provide, or cause to be provided, on a timely basis, all appropriate information repositories such information and documents as shall be required by applicable law to enable Owners to purchase and resell the Bonds issued, from time to time, hereunder. For purposes of complying with the above-described provision, the District may rely on an opinion of counsel which is familiar with disclosure of information relating to municipal securities. Nothing herein shall, however, require the District to provide disclosure in order to enable the purchaser of a security in a "private placement transaction" within the meaning of applicable securities laws, to offer or re-sell such security in other than a "private placement transaction. All financial statements provided to a repository shall be in accordance with generally accepted governmental accounting principles and shall be provided to such repository as soon as practicable after the same becomes available. The financial statements shall contain such information as shall be customary for local governments, such as the District. Nothing in this Section 818 is intended to impose upon the District, and this Section 818 shall not be construed as imposing upon the District, any disclosure obligations beyond those imposed by applicable law.

#### ARTICLE IX EVENTS OF DEFAULT AND REMEDIES

**Section 901. Extension of Interest Payment.** If the time for payment of interest of a Bond of any Series shall be extended,

63

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

**Section 903. Acceleration of Maturities of Bonds of a Series Under Certain Circumstances.** Upon the happening and continuance of any Event of Default specified in clauses (a) through (g) of Section 902 above with respect to a Series of Bonds, the Trustee shall, upon written direction of the Owners of not less than fifty-one (51%) of the aggregate principal amount of the Bonds of such Series then Outstanding, by a notice in writing to the District, declare the aggregate principal amount of all of the Bond of such Series then Outstanding (if not then due and payable) to be due and payable immediately and, upon such declaration, the same shall become and be immediately due and payable, anything contained in the Bonds of such Series or in this Master Indenture or in the Supplemental Indenture authorizing such Series to the contrary notwithstanding; provided, however, that no such declaration of acceleration shall occur as the result of an Event of Default specified in clause (a) of Section 902 in the case of Bonds of a Series secured by Assessments, except to the extent that the Assessments have been accelerated and are currently due and payable in accordance with applicable law; and provided further, however, that if at any time after the aggregate principal amount of the Bonds of any Series then Outstanding shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Master Indenture or the related Supplemental Indenture, moneys shall have accumulated in the related Series Revenue Account sufficient to pay the principal of all matured Bonds of such Series and all arrears of interest, if any, upon all Bonds of such Series then

65

whether or not such extension be by or with the consent of the District, such interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Master Indenture unless the aggregate principal amount of all Bonds of such Bonds then Outstanding and of all accrued interest the time for payment of which shall not have been extended shall have previously been paid in full.

**Section 902. Events of Default.** Each of the following events is hereby declared an Event of Default with respect to a Series of Bonds:

(a) Any payment of Debt Service on such Series of Bonds is not made when due;

(b) The District shall for any reason be rendered incapable of fulfilling its obligations hereunder or under the Supplemental Indenture relating to such Series of Bonds;

(c) The District admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself or for the whole or any part of a related Series Project;

(d) The District is adjudged insolvent by a court of competent jurisdiction, or is adjudged a bankrupt on a petition in bankruptcy filed against the District, or an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the District, a receiver or trustee of the District or of the whole or any part of its property and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof;

(e) The District shall file a petition or answer seeking reorganization or any arrangement under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof;

(f) Under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District's assets or any part thereof, and such custody or control shall not be terminated within ninety (90) days from the date of assumption of such custody or control; or

64

Outstanding (except the aggregate principal amount of any Bonds of such Series then Outstanding that is only due because of a declaration under this Section, and except for the interest accrued on the Bonds of such Series since the last Interest Payment Date), and all amounts then payable by the District hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Paying Agent, and every other default (other than a default in the payment of the aggregate principal amount of the Bonds of such Series then Outstanding that is due only because of a declaration under this Section) shall have been remedied, then the Trustee or, if the Trustee is unable or unwilling to act, the Owners of not less than 51% of the aggregate principal amount of the Bonds of such Series then Outstanding not then due except by virtue of a declaration under this Section, may, by written notice to the District, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

**Section 904. Enforcement of Remedies.** Upon the happening and continuance of any Event of Default specified in Section 902 above with respect to a Series of Bonds, the Trustee may protect and enforce the rights of the Owners of the Bonds of such Series under Florida law, and under this Master Indenture, the related Supplemental Indenture and the Bonds of such Series, by such proceedings in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein or in the related Supplemental Indenture granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights.

The Owners of not less than a majority in aggregate principal amount of the Bonds of such Series Outstanding shall, subject to the requirements of Section 607, have the right, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings by the Trustee hereunder, provided that such directions shall not be in conflict with any rule of law of this Master Indenture and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unduly prejudicial to the rights of the Owners of such Series of Bonds not parties to such direction or would subject the Trustee to personal liability or expense. Notwithstanding

66

the foregoing, the Trustee shall have the right to select and retain legal counsel of its choosing to represent it in any such proceedings. The Trustee may take any other action which is not inconsistent with any direction under this second paragraph of this Section 904.

No Owner of such Series of Bonds shall have any right to pursue any other remedy under this Master Indenture or such Series of Bonds unless: (1) an Event of Default shall have occurred and is continuing; (2) the Owners of not less than a majority in aggregate principal amount of the Bonds of such Series Outstanding have requested the Trustee, in writing, to exercise the powers granted in this first paragraph of this Section 904 or to pursue such remedy in its or their name or names; (3) the Trustee has been offered indemnity satisfactory to it against costs, expenses and liabilities reasonably anticipated to be incurred; (4) the Trustee has declined to comply with such request, or has failed to do so, within sixty (60) days after its receipt of such written request and offer of indemnity; and (5) no direction inconsistent with such request has been given to the Trustee during such 60-day period by the Owners of not less than a majority in aggregate principal amount of the Bonds of such Series Outstanding. The provisions of this immediately preceding sentence of this Section 904 are conditions precedent to the exercise by any Owner of such Series of Bonds of any remedy hereunder. The exercise of such rights is further subject to the provisions of Section 909, and the second paragraph of this Section 904. No one or more Owner of such Series of Bonds shall have any right in any manner whatever to enforce any right under this Master Indenture, except in the manner herein provided.

**Section 905. Pro Rata Application of Funds Among Owners of a Series of Bonds.** Anything in this Master Indenture to the contrary notwithstanding, if at any time the moneys in the Series Funds and Accounts shall not be sufficient to pay Debt Service on the related Series of Bonds when due, such moneys together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied as follows:

(a) Unless the aggregate principal amount of all the Bonds of such Series shall have become due and payable or shall have been declared due and payable pursuant to the provisions of Section 903 of this Article, all such moneys shall be applied:

67

discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds of such Series.

(c) If the principal of all the Bonds of a Series shall have been declared due and payable pursuant to the provisions of Section 903 of this Article, and if such declaration shall thereafter have been rescinded and annulled pursuant to the provisions of Section 903 of this Article, then, if the aggregate principal amount of all of the Bonds of such Series shall later become due or be declared due and payable pursuant to the provisions of Section 903 of this Article, the moneys remaining in and thereafter accruing to the related Series Revenue Fund shall be applied in accordance with subsection (b) above.

The provisions of this Section are in all respects subject to the provisions of Section 901 of this Article.

Whenever moneys are to be applied pursuant to this Section, such moneys shall be applied by the Trustee at such times as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application. The deposit of such moneys with the Paying Agent shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to any Owner or to any other person for any delay in applying any such funds, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies such moneys in accordance with such provisions of this Master Indenture as may be applicable at the time of application. Whenever the Trustee shall exercise such discretion in applying such funds, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date, and shall not be required to make payment to any Owner until such Bond shall be surrendered to him for appropriate endorsement.

**Section 906. Effect of Discontinuance of Proceedings.** If any proceeding taken by the Trustee or any Owner on account of any default shall have been discontinued or abandoned for any reason, then the District and the Owner shall be restored to their former positions and rights hereunder, respectively, and all rights and remedies of the Owners shall continue as though no such proceeding had been taken.

69

First: to the payment of any then-due fees and expenses of the Trustee, including reasonable counsel fees and expenses, to the extent not otherwise paid;

Second: to payment to the persons entitled thereto of all installments of interest then due and payable on the Bonds of such Series, in the order in which such installments become due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the rates of interest specified in the Bonds of such Series; and

Third: to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds of such Series which shall have become due (other than Bonds of such Series called for redemption for the payment of which sufficient moneys are held pursuant to this Master Indenture), in the order of their due dates, with interest upon the Bonds of such Series at the rates specified therein from the dates upon which they become due to their payment date, and, if the amount available shall not be sufficient to pay in full the principal of Bonds of such Series due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Owners of the Bonds of such Series entitled thereto without any discrimination or preference except as to any difference in the foregoing rates of interest.

(b) If the aggregate principal amount of all the Bonds of a Series shall have become due and payable in accordance with their terms or shall have been declared due and payable pursuant to the provisions of Section 903 of this Article, all such moneys shall be applied first to the payment of any fees and expenses of the Trustee, including reasonable counsel fees and expenses, to the extent not otherwise paid, and, then the payment of the whole amount of principal and interest then due and unpaid upon the Bonds of such Series, without preference or priority of principal or of interest or of any installment of interest over any other, or of any Bond over any other Bond of such Series, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any

68

**Section 907. Restriction on Individual Owner Actions.** Except as provided in Section 910 below, no Owner of any of the Bonds shall have any right in any manner whatever to affect, disturb or prejudice the security of this Master Indenture or any Supplemental Indenture, or to enforce any right hereunder or thereunder except in the manner herein or therein provided, and all proceedings at law or in equity shall be instituted and maintained for the benefit of all Owners of the Bonds of such Series.

**Section 908. No Remedy Exclusive.** No remedy conferred upon the Trustee or the Owners is intended to be exclusive of any other remedy herein or in any Supplemental Indenture provided, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereunder.

**Section 909. Delay Not a Waiver.** No delay or omission of the Trustee or any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given to the Trustee and the Owners may be exercised from time to time and as often as may be deemed expedient.

**Section 910. Right to Enforce Payment of Bonds.** Nothing in this Article shall affect or impair the right of any Owner to enforce the payment of Debt Service on the Bond of which such person is the registered Owner, or the obligation of the District to pay Debt Service to the Owner at the time and place specified in such Bond.

**Section 911. No Cross Default Among Series.** The occurrence of an Event of Default hereunder or under any Supplemental Indenture with respect to any Series of Bonds shall not constitute an Event of Default with respect to any other Series of Bonds, unless the event giving rise to the Event of Default also constitutes an Event of Default hereunder or under the Supplemental Indenture with respect to such other Series of Bonds.

**Section 912. Indemnification.** Other than to make proper draws under a Credit Facility, the Trustee shall be under no obligation to institute any suit or to take any remedial proceeding under this Master Indenture or any Supplemental Indenture or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to advance its own money, or to take any steps in the

70

execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability. Notwithstanding the foregoing, the indemnification provided by this Section 912 shall not be applicable in cases of the Trustee's gross negligence or willful misconduct.

**ARTICLE X  
EXECUTION OF INSTRUMENTS BY OWNERS AND PROOF OF  
OWNERSHIP OF BONDS**

**Section 1001. Execution of Instruments by Owners and Proof of Ownership of Bonds.** Any request, direction, consent or other instrument in writing required or permitted by this Master Indenture or any Supplemental Indenture to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor and may be signed or executed by Owners or their attorneys or legal representatives. Proof of the execution of any such instrument shall be sufficient for any purpose of this Master Indenture and shall be conclusive in favor of the District with regard to any action taken by it under such instrument if verified by any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution. Where such execution is on behalf of a person other than an individual such verification or affidavit shall also constitute sufficient proof of the authority of the signer thereof.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of the Owner of any Bond shall bind every future owner of the same Bond in respect of anything done by the Trustee or the District in pursuance of such request or consent.

**Section 1002. Deposit of Bonds.** Notwithstanding the foregoing, neither the District nor the Trustee shall be required to recognize any person as an Owner of any Bond or to take any action at his request unless such Bond shall be deposited with the Trustee.

71

the written opinion of Bond Counsel, materially adversely affect the interests of the Owners of the Bonds Outstanding, upon which opinion the Trustee may conclusively rely.

**Section 1102. Supplemental Indentures With Owner Consent.** Subject to the provisions contained in this Section, and not otherwise, the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Master Indenture to the contrary notwithstanding, to consent to and approve the adoption of such indentures supplemental hereto or amendatory hereof as shall be deemed desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the provisions of this Master Indenture; provided, however, that nothing herein contained shall permit, or be construed as permitting, without the consent of all Owners of Bonds then Outstanding and affected by such supplement or amendment,

- (a) an extension of the maturity of, or an extension of the Interest Payment Date on, any Bond;
- (b) a reduction in the principal, premium, or interest on any Bond;
- (c) a preference or priority of any Bond over any other Bond; or
- (d) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture.

In addition to the foregoing, the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds of any Series then Outstanding shall have the right, from time to time, anything contained in this Master Indenture or in the Supplemental Indenture relating to such Series of Bonds to the contrary notwithstanding, to consent to and approve the adoption of such indentures supplemental to the Supplemental Indenture relating to such Series of Bonds or amendatory thereof, but not hereof, as shall be deemed desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the provisions of such Supplemental Indenture or of any indenture supplemental thereto; provided, however, that nothing herein contained shall permit, or be

73

**ARTICLE XI  
SUPPLEMENTAL INDENTURES**

**Section 1101. Supplemental Indentures** Without Owners' consent, the Governing Body from time to time may authorize such indentures supplemental hereto or amendatory hereof as shall not be inconsistent with the terms and provisions hereof (which supplemental indenture shall thereafter form a part hereof), without the consent of the Owners, for the following purposes:

- (a) to provide for the initial issuance of a Series of Bonds or refunding bonds of a Series; or
- (b) to make any change whatsoever to the terms and provisions of this Master Indenture, but only as such change relates to a Series of Bonds upon the original issuance thereof (or upon the original issuance of refunding bonds of a Series which defease and discharge the Supplemental Indenture of the Series of Bonds to be refunded) under and pursuant to the terms of the Supplemental Indenture effecting such change; or
- (c) to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Master Indenture; or
- (d) to grant to the Owners or to the Trustee on behalf of the Owners any additional rights or security that may lawfully be granted; or
- (e) to add to the covenants and agreements of the District in this Master Indenture other covenants and agreements thereafter to be observed by the District to the benefit of the Owners of the Outstanding Bonds; or
- (f) to make such changes as may be necessary in order to reflect amendments to Chapters 170, 190, 197 and 298, or other Florida Statutes, so long as, in the opinion of counsel to the District, such changes either: (a) do not have a material adverse effect on the Owners of each Series of Bonds to which such changes relate; or (b) if such changes do have a material adverse effect, that they nevertheless are required to be made as a result of such amendments; or
- (g) to modify the provisions of this Master Indenture or any Supplemental indenture provided that such modification does not, in

72

construed as permitting, without the consent of all Owners of Bonds of such Series then Outstanding and affected by such amendment,

- (a) an extension of the maturity of, or an extension of the Interest Payment Date on, any Bond of such Series;
- (b) a reduction in the principal, premium, or interest on any Bond of such Series;
- (c) a preference or priority of any Bond of such Series over any other Bond of such Series; or
- (d) a reduction in the aggregate principal amount of the Bonds of such Series required for consent to such indenture supplemental to the Supplemental Indenture.

If at any time the District shall determine that it is desirable to approve any Supplemental Indenture pursuant to this Section 1102, the District shall cause the Trustee to mail, at the expense of the District, notice of the proposed approval to the Owners whose approval is required. Such notice shall be prepared by the District and shall briefly set forth the nature of the proposed Supplemental Indenture or indenture supplemental to a Supplemental Indenture and shall state that copies thereof are on file with the Secretary for inspection by all affected Owners. The District shall not, however, be subject to any liability to any Owner by reason of its failure to cause the notice required by this Section to be mailed and any such failure shall not affect the validity of such Supplemental Indenture or indenture supplemental to a Supplemental Indenture when consented to and approved as provided in this Section.

Whenever, at any time within one (1) year after the date of the first mailing of such notice, there shall be delivered to the District an instrument or instruments in writing purporting to be executed by the Owners of the requisite principal amount of the Bonds of such Series Outstanding, which instrument or instruments shall refer to the proposed Supplemental Indenture or indenture supplemental to a Supplemental Indenture described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Governing Body and the Trustee may approve such

74

Supplemental Indenture and cause it to be executed, in substantially such form, without liability or responsibility to any Owner.

**Section 1103. Opinion of Bond Counsel With Respect to Supplemental Indenture.** In addition to the other requirements herein set forth with respect to Supplemental Indentures or indenture supplemental to a Supplemental Indenture, no such indenture shall be effective unless and until there shall have been delivered to the Trustee the opinion of Bond Counsel to the effect that such indenture is permitted pursuant to this Master Indenture and that such indenture is the valid and binding obligation of the District enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or general equitable principles, upon which opinion the Trustee may conclusively rely. In addition, if such indenture relates to a Series of Tax Exempt Bonds, such opinion shall also state that such indenture will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the related Series of Bonds.

**Section 1104. Supplemental Indenture Part of Indenture.** Any supplemental indenture executed in accordance with this Article and approved as to legality by counsel to the District shall thereafter, except as otherwise provided therein, form a part of this Master Indenture. Except as applicable only to Bonds of a Series, all of the terms and conditions contained in any such supplemental indenture amendatory of this Master indenture shall be part of the terms and conditions hereof.

**Section 1105. Insurer or Issuer of a Credit or Liquidity Facility as Owner of Bonds.** As long as a Credit or Liquidity Facility securing all or a portion of the Bonds of a Series Outstanding is in effect and the issuer thereof is not in default of any of its obligations under such Credit or Liquidity Facility, as the case may be, the issuer of the Credit or Liquidity Facility or the Insurer, to the extent so authorized in the applicable Supplemental Indenture, will be deemed to be the Owner of the Bonds of such Series secured by the Credit or Liquidity Facility: (i) at all times for the purpose of the execution and delivery of a supplemental indenture or of any amendment, change or modification of the Master Indenture or the applicable Supplemental Indenture or the initiation by Owners of any action to be undertaken by the Trustee at the Owner's request, which under the Master Indenture or the applicable Supplemental Indenture requires the written

75

or deliver, as directed by the District, all moneys or securities held by them pursuant to this Master Indenture which are not required for the payment of principal or Redemption Price, if applicable, on Bonds not theretofore surrendered for such payment or redemption or for payment of obligations under any Letter of Credit Agreement and any Liquidity Agreement. If the District pays or causes to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Bonds or of a particular maturity, of a particular Series or of any part of a particular maturity or Series the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Master Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under this Master Indenture, and all covenants, agreements and obligations of the District to the Owners of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Anything to the contrary in this Section 1201 notwithstanding, this Master Indenture shall not be discharged nor shall any Bonds with respect to which moneys or Federal Securities have been deposited in accordance with the provisions of this Section 1201 cease to be entitled to the lien, benefit or security under this Master Indenture, except to the extent that the lien, benefit and security of this Master Indenture and the obligations of the District hereunder shall be limited solely to and such Bonds shall be secured solely by and be payable solely from the moneys or Federal Securities so deposited.

(b) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit pursuant to this Master Indenture of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in this Section. All Outstanding Bonds of any particular maturity or Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 1201 if: (i) in case any of such Bonds are to be redeemed on any date prior to their maturity, the District shall have given to the Trustee or the Bond Registrar irrevocable instructions accepted in writing by the Trustee or the Bond Registrar to mail as provided in Article III notice of redemption of such Bonds on such date; (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Federal Securities, the principal of and the

77

approval or consent of or can be initiated by the Owners of at least a majority in principal amount of the Bonds of the Series at the time Outstanding; (ii) at all times for the purpose of the mailing of any notice to Owners under the Master Indenture or the applicable Supplemental Indenture; and (iii) following an Event of Default for all other purposes. Notwithstanding the foregoing, neither an Insurer nor the issuer of a Credit or Liquidity Facility with respect to a Series of Bonds will be deemed to be an Owner of the Bonds of such Series with respect to any such Supplemental Indenture or of any amendment, change or modification of the Master Indenture which would have the effect of permitting: (i) a change in the terms of redemption or maturity of any Bonds of a Series Outstanding or of any installment of interest thereon; or (ii) a reduction in the principal amount or the Redemption Price thereof or in rate of interest thereon; or (iii) reducing the percentage or otherwise affecting the classes of Bonds the consent of the Owners of which is required to effect any such modification or amendment; or (iv) creating any preference or priority of any Bond of a Series over any other Bond of such Series.

## ARTICLE XII DEFEASANCE

### Section 1201. Defeasance and Discharge of the Lien of this Master Indenture and Supplemental Indentures.

(a) If the District pays or causes to be paid, or there shall otherwise be paid, to the Owners of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon and the obligations under any Letter of Credit Agreement and any Liquidity Agreement, at the times and in the manner stipulated therein and in this Master Indenture and any Letter of Credit Agreement and any Liquidity Agreement and pays or causes to be paid all other moneys owing hereunder and under any Supplemental Indenture (including, without limitation the fees and expenses of the Trustee, including reasonable counsel fees and expenses), then the lien of this Master Indenture and all covenants, agreements and other obligations of the District to the Owners and the issuer of any Credit Facility or Liquidity Facility shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee upon the request of the District shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee and the Paying Agent shall pay over

76

interest on which when due shall, as demonstrated in an Accountant's Certificate, provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be; (iii) the District shall have given the Trustee or the Bond Registrar in form satisfactory to it irrevocable instructions to mail, postage prepaid, to each registered Owner of Bonds then Outstanding at the address, if any, appearing upon the registry books of the District, a notice to the registered Owners of such Bonds and to the Registrar that the deposit required by (ii) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section 1201 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on such Bonds; and (iv) an opinion of Bond Counsel to the effect that such defeasance is permitted under this Master Indenture and the Supplemental Indenture relating to the Series of Bonds so defeased and that, in the case of Tax-Exempt Bonds, such defeasance will not adversely affect the tax exempt status of such Series of Bonds. Neither Federal Securities nor moneys deposited with the Trustee pursuant to this Section 1201 nor principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or redemption price, if applicable, and interest on such Bonds; provided that any cash received from such principal or interest payments on such Federal Securities deposited with the Trustee: (i) to the extent such cash shall not be required at any time for such purpose as evidenced by an Accountant's Certificate or, and to the extent all obligations under any Letter of Credit Agreement or any Liquidity Agreement are satisfied, as determined by an Insurer or an issuer of any Credit Facility and any Liquidity Facility securing the Bonds with respect to which such Federal Securities have been so deposited, shall be paid over upon the direction of the District as received by the Trustee, free and clear of any trust, lien, pledge or assignment securing such Bonds or otherwise existing under this Master Indenture; and (ii) to the extent such cash shall be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Federal Securities maturing at times and in amounts sufficient to pay when due the principal or redemption price, if applicable, and interest to become due on such Bonds, or obligations under any Letter of Credit

78

Agreement or any Liquidity Agreement, on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over as received by the Trustee to the District, free and clear of any lien, pledge or security interest securing such Bonds or otherwise existing under this Master Indenture. For the purposes of this provision, Federal Securities means and includes only such securities which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof.

(c) As to any Variable Rate Bonds, whether discharged and satisfied under the provisions of subsection (a) or (b) above, the amount required for the interest thereon shall be calculated at the maximum rate permitted by the terms of the provisions which authorized the issuance of such Variable Rate Bonds; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Investment Obligations on deposit for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Bonds in order to fully discharge and satisfy such Bonds and obligations under Letter of Credit Agreement and any Liquidity Agreement pursuant to the provisions of this Section, the District may use the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing said Variable Rate Bonds or otherwise existing under this Master Indenture or under any Letter of Credit Agreement or any Liquidity Agreement.

(d) Notwithstanding any of the provisions of this Master Indenture to the contrary, Option Bonds may only be fully discharged and satisfied either pursuant to subsection (a) above or by depositing in the Series Interest Account, the Series Principal Account and the Series Redemption Account, or in such other accounts which are irrevocably pledged to the payment of the Option Bonds, as the District may create and establish by Supplemental Indenture, moneys which together with other moneys lawfully available therefor shall be sufficient at the time of such deposit to pay when due the maximum amount of principal of and redemption price, if any, and interest on such Option Bonds which could become payable to the Owners of such Bonds upon the exercise of any options provided to the Owners of such Bonds; provided however, that if, at the time a deposit is made

79

District to the Owners of such Bonds shall continue to exist and the Insurer shall be subrogated to the rights of such Owners.

(g) Anything in this Master Indenture to the contrary notwithstanding, the provisions of the foregoing subsections (b) through (f) shall apply to the discharge of Bonds of a Series and to the discharge of the lien of any Supplemental Indenture securing such Series of Bonds as though each reference to the "Master Indenture" were a reference to such "Supplemental Indenture" and as though each reference to "Bonds Outstanding" were a reference to the "Bonds of such Series Outstanding."

**Section 1202. Moneys Held in Trust.** All moneys and obligations held by an escrow or paying agent or trustee pursuant to this Section shall be held in trust and the principal and interest of said obligations when received, and said moneys, shall be applied to the payment, when due, of the principal, interest and premium, if any, of the Bonds to be paid or to be called for redemption.

### ARTICLE XIII MISCELLANEOUS PROVISIONS

**Section 1301. Effect of Covenant.** All covenants, stipulations, obligations and agreements of the District contained in this Master Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the District and of the Governing Body of the District to the full extent authorized or permitted by law and all such covenants, stipulations, obligations and agreements shall bind or inure to the benefit of the successor or successors thereof from time to time and any officer, board, body or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

Except as otherwise provided herein, all rights, powers and privileges conferred, and duties and liabilities imposed, upon the District or upon the Governing Body by this Master Indenture shall be exercised or performed by the Governing Body, or by such other officers, board, body or commission as may be required by law to exercise such powers or to perform such duties.

No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or

81

pursuant to this subsection (d), the options originally exercisable by the Owner of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this subsection (d). If any portion of the moneys deposited for the payment of the principal of and redemption price, if any, and interest on Option Bonds is not required for such purpose and is not needed to reimburse an Insurer or an issuer of any Credit Facility or Liquidity Facility, for obligations under any Letter of Credit Agreement or any Liquidity Agreement, the District may use the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing such Option Bonds or otherwise existing under this Master Indenture or any Letter of Credit Agreement or Liquidity Agreement.

(e) Anything in this Master Indenture to the contrary notwithstanding, any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bonds became due and payable, shall, at the written request of the District be repaid by the Trustee or Paying Agent to the District, as its absolute property and free from trust, and the Trustee or Paying Agent shall thereupon be released and discharged with respect thereto and the Owners shall look only to the District for the payment of such Bonds; provided, however, that before being required to make any such payment to the District, the Trustee or Paying Agent shall, at the expense of the District, cause to be mailed, postage prepaid, to any Insurer or any issuer of any Credit Facility or Liquidity Facility, and to each registered Owner of Bonds then Outstanding at the address, if any, appearing upon the registry books of the District, a notice that such moneys remain unclaimed and that, after a date named in such notice, which date shall be not less than thirty (30) days after the date of the mailing of such notice, the balance of such moneys then unclaimed shall be returned to the District.

(f) In the event that the principal and Redemption Price, if applicable, and interest due on the Bonds shall be paid by the Insurer pursuant to a municipal bond insurance policy, the assignment and pledge and all covenants, agreements and other obligations of the

80

agreement of any member, agent or employee of the Governing Body in his or her individual capacity, and neither the members of the Governing Body nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

**Section 1302. Manner of Giving Notice to the District and the Trustee.** Any notice, demand, direction, request or other instrument authorized or required by this Master Indenture to be given to or filed with the District or the Governing Body or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this Master Indenture if and when sent by certified mail, return receipt requested:

To the District, addressed to:  
District Manager  
Amelia Concourse Community Development District  
Governmental Management Services, LLC  
14785-4 St. Augustine Road  
Jacksonville, Florida 32258

To the Trustee, addressed to:  
U.S. Bank National Association  
225 Water Street, 7th Floor  
Jacksonville, Florida 32202  
Attention: Corporate Trust Department

or to such other address as shall be provided to the other party hereto in writing.

All documents received by the District and the Trustee under this Master Indenture shall be retained in their possession, subject at all reasonable times to the inspection of any Owner and the agents and representatives thereof.

**Section 1303. Manner of Giving Notice to the Owners.** Any notice, demand, direction, request, or other instrument authorized or required by this Master Indenture to be mailed to the Owners shall be deemed to have been sufficiently mailed if mailed by first class mail, postage pre-paid, to the Owners at their addresses as they appear at the time of mailing on the registration books maintained by the Bond Registrar.

82

**Section 1304. Successorship of District Officers.** If the offices of Chairman, or Secretary shall be abolished or any two or more of such offices shall be merged or consolidated, or in the event of a vacancy in any such office by reason of death, resignation, removal from office or otherwise, or in the event any such officer shall become incapable of performing the duties of his office by reason of sickness, absence from the District or otherwise, all powers conferred and all obligations and duties imposed upon such officer shall be performed by the officer succeeding to the principal functions thereof or by the officer upon whom such powers, obligations and duties shall be imposed by law.

**Section 1305. Inconsistent Provisions.** All provisions of any resolutions, and parts thereof, which are inconsistent with any of the provisions of this Master Indenture are hereby declared to be inapplicable to this Master Indenture.

**Section 1306. Further Acts; Counterparts.** The officers and agents of the District are hereby authorized and directed to do all the acts and things required of them by the Bonds and this Master Indenture, for the full, punctual and complete performance of all of the terms, covenants, provisions and agreements contained in the Bonds and this Master Indenture.

This Master Indenture and any Supplemental Indenture may be executed in duplicate counterparts each of which shall constitute one and the same agreement.

**Section 1307. Headings Not Part of Indenture.** Any headings preceding the texts of the several Articles and Sections hereof and any table of contents, marginal notes or footnotes appended to copies hereof shall be solely for convenience of reference, and shall not constitute a part of this Master Indenture, nor shall they affect its meaning, construction or effect.

**Section 1308. Effect of Partial Invalidity.** In case any one or more of the provisions of this Master Indenture or of any Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Master Indenture or of the Bonds, but this Master Indenture and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. The Bonds are issued and this Master

83

**Section 1310. Effective Date.** This Master Indenture shall be effective as of the date first above-written.

(SEAL) AMELIA CONCOURSE  
COMMUNITY  
DEVELOPMENT DISTRICT

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

ATTEST:

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

(SEAL) U.S. BANK NATIONAL  
ASSOCIATION, as Trustee

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

Indenture is adopted with the intent that the laws of the State of Florida shall govern their construction.

**Section 1309. Attorneys' Fees.** Any reference herein to the term "attorneys' fees" or "legal fees" or words of like import shall include but not be limited to fees of legal assistants and paralegal and fees incurred in any and all legal proceedings, including any trial or appellate level proceedings, and any sales tax thereon.

84

**EXHIBIT A  
FORM OF REQUISITION**

The undersigned, an Authorized Officer of Amelia Concourse Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture from the District to U.S. Bank National Association, Jacksonville, Florida, as trustee (the "Trustee"), dated as of July 1, 2007 (the "Master Indenture"), as amended and supplemented by the [ ] Supplemental Indenture from the District to the Trustee, dated as of [ ] (the Master Indenture as amended and supplemented is hereinafter referred to as the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

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

The undersigned hereby certifies that [obligations in the stated amount set forth above have been incurred by the District, that each disbursement set forth above is a proper charge against the [ ] Acquisition and Construction Account and the subaccount, if any, referenced above, that each disbursement set forth above was incurred in connection with the acquisition and construction of the [ ] Project and each represents a Cost of the [ ] Project, and has not previously been paid] OR [this requisition is for Costs of Issuance payable from the Costs of Issuance Account that has not previously been paid].

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of any lien, right to lien, or

85

A-1

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.

If this requisition is for a disbursement from other than the Costs of Issuance Account or for payment of capitalized interest, there shall be attached a resolution of the Governing Body of the District approving this requisition or approving the specific contract with respect to which disbursements pursuant to this requisition are due and payable.

Attached hereto are originals of the invoice(s) from the vendor of the property acquired or services rendered with respect to which disbursement is hereby requested.

**AMELIA CONCOURSE  
COMMUNITY  
DEVELOPMENT DISTRICT**

By:  
Authorized Officer

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

If this requisition is for a disbursement from other than Capitalized Interest or Costs of Issuance, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the [ ] Project and is consistent with: (i) the applicable acquisition or construction contract; (ii) the plans and specifications for the portion of

A-2

A-3

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

the [ ] Project with respect to which such disbursement is being made; and, (ii) the report of the Consulting Engineer attached as an Exhibit to the [ ] Supplemental Indenture, as such report shall have been amended or modified on the date hereof.

Consulting Engineer

FIRST SUPPLEMENTAL TRUST INDENTURE

AMELIA CONCOURSE  
COMMUNITY DEVELOPMENT DISTRICT

TO  
U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

Dated as of July 1, 2007

ARTICLE V  
CONCERNING THE TRUSTEE

Section 501. Acceptance by Trustee..... 25  
Section 502. Limitation of Trustee's Responsibility..... 26  
Section 503. Trustee's Duties..... 26

ARTICLE VI  
ADDITIONAL BONDS

Section 601. No Parity Bonds..... 26

ARTICLE VII  
MISCELLANEOUS

Section 701. Confirmation of Master Indenture..... 26  
Section 702. Continuing Disclosure Agreement..... 27  
Section 703. Additional Covenant Regarding Assessments..... 27  
Section 704. Collection of Assessments..... 27

- Exhibit A - Description of 2007 Project
- Exhibit B - Form of Bonds
- Exhibit C - Tax Regulatory Covenants

TABLE OF CONTENTS

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.

ARTICLE I  
DEFINITIONS

Section 101. Definitions..... 4

ARTICLE II

AUTHORIZATION, ISSUANCE AND PROVISIONS OF 2007 BONDS

Section 201. Authorization of 2007 Bonds; Book-Entry Only Form..... 13  
Section 202. Terms..... 15  
Section 203. Denominations..... 15  
Section 204. Paying Agent..... 16  
Section 205. Paying Agent..... 16  
Section 206. Bond Registrar..... 16  
Section 207. Conditions Precedent to Issuance of 2007 Bonds..... 16

ARTICLE III

REDEMPTION OF 2007 BONDS

Section 301. Bonds Subject to Redemption..... 17

ARTICLE IV

DEPOSIT OF 2007 BOND PROCEEDS AND APPLICATION THEREOF; ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF

Section 401. Establishment of Accounts..... 17  
Section 402. Use of 2007 Bond Proceeds..... 18  
Section 403. 2007 Acquisition and Construction Account and 2007 Capitalized Interest Account..... 19  
Section 404. 2007 Costs of Issuance Account..... 20  
Section 405. 2007 Reserve Account..... 20  
Section 406. Amortization Installments..... 21  
Section 407. Tax Covenants and Rebate Accounts..... 22  
Section 408. Establishment of 2007 Revenue Account in Revenue Fund; Application of Revenues and Investment Earnings..... 22

FIRST SUPPLEMENTAL  
TRUST INDENTURE

THIS FIRST SUPPLEMENTAL TRUST INDENTURE (the "First Supplemental Indenture") dated as of July 1, 2007, from AMELIA CONCOURSE 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, with its designated corporate trust office and post office address located at 225 Water Street, 7th Floor, Jacksonville, Florida 32202, Attention: Corporate Trust Department.

WHEREAS, the District has entered into a Master Trust Indenture, dated as of July 1, 2007 (the "Master Indenture") with the Trustee to secure the issuance of its Amelia Concourse Community Development District Capital Improvement Revenue Bonds (the "Bonds"), issuable in one or more series from time to time; and

WHEREAS, pursuant to Resolution 2007-13, adopted by the Governing Body on November 9, 2006 (as amended and supplemented by the Award Resolution hereinafter defined, the "Bond Resolution"), the District authorized the issuance, sale and delivery of not to exceed \$19,700,000 of its Amelia Concourse Community Development District Capital Improvement Revenue Bonds (the "Bonds"), to be issued in one or more Series of Bonds as authorized under the Master Indenture, which Bonds were validated by final judgment of the Circuit Court of Nassau County, Florida on April 30, 2007; and

WHEREAS, the Governing Body of the District duly adopted Resolution No. 2007-21, on May 10, 2007, providing for the acquisition and construction of a capital improvement program contained in the report of the consulting engineer (the "Capital Improvement Program"), providing estimated Costs of the Capital Improvement Program, defining assessable property to be benefited by the Capital Improvement Program, defining the portion of the cost of the Capital Improvement Program with respect to which Assessments will be imposed and the manner in which such assessments shall be levied against such benefited property within the District, directing the preparation of an assessment roll, and, stating the intent of the District to issue bonds of the District secured by assessments to finance the costs of

the acquisition and construction of the Capital Improvement Program (the "Preliminary Assessment Resolution") and the Governing Body of the District duly adopted Resolution No. 2007-26, on July 12, 2007, following a public hearing conducted in accordance with the Act, to fix and establish the assessments and the benefited property (collectively, the "Assessment Resolution"); and

**WHEREAS**, the District has determined that it is necessary and desirable at this time to proceed with the acquisition, construction, installation and equipping of components of the Capital Improvement Program more specifically identified on Exhibit A hereto (the "2007 Project"); and

**WHEREAS**, pursuant to Resolution No 2007-23, adopted by the Governing Body of the District on May 10, 2007 (the "Award Resolution"), the District has authorized the issuance, sale and delivery of not to exceed \$9,000,000 of its Amelia Concourse Community Development District Capital Improvement Revenue Bonds, Series 2007 (the "Series 2007 Bonds") as an issue of Bonds under the Master Indenture, and has authorized the execution and delivery of the Master Indenture and this First Supplemental Indenture to secure the issuance of the Series 2007 Bonds and to set forth the terms of the Series 2007 Bonds; and

**WHEREAS**, the District will apply the proceeds of the 2007 Bonds to: (i) finance the Cost of acquiring, constructing and equipping assessable improvements comprising the 2007 Project; (ii) pay certain costs associated with the issuance of the 2007 Bonds; (iii) pay a portion of the interest first coming due on the 2007 Bonds; and (iv) make a deposit into the related Series Reserve Account for the benefit of all of the 2007 Bonds; and

**WHEREAS**, the 2007 Bonds will be payable from and secured by Assessments imposed, levied and collected by the District with respect to property specially benefited by the 2007 Project (the "2007 Assessments"), which, together with the 2007 Pledged Funds will comprise the 2007 Trust Estate, which shall constitute a "Series Trust Estate" as defined in the Master Indenture; and

**WHEREAS**, the execution and delivery of the 2007 Bonds and of this First Supplemental Indenture have been duly authorized by the Governing Body of the District and all things necessary to make the 2007 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

2

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 one 2007 Bond over any other 2007 Bond by reason of priority in their issue, sale or execution;

**PROVIDED FURTHER HOWEVER**, that if the District, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal and Redemption Price of the 2007 Bonds or any 2007 Bond of a particular maturity issued, 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 2007 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 provisions 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 2007 Bonds or any 2007 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 2007 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 2007 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

4

Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the 2007 Trust Estate 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 2007 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 2007 Bonds Outstanding (as defined in the Master Indenture) 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 such other payments due under any Letter of Credit Agreement or Liquidity Agreement (as defined in the Master Indenture), 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 2007 Bonds: (a) has executed and delivered this First Supplemental Indenture and (b) does hereby, in confirmation of the Master Indenture, grant, bargain, sell, convey, transfer, assign and pledge unto the Trustee, and unto its successors in the trusts under the Master Indenture, and to them and their successors and assigns forever, all right, title and interest of the District, in, to and under, subject to the terms and conditions of the Master Indenture and the provisions of the Master Indenture pertaining to the application thereof for or to the purposes and on the terms set forth in the Master Indenture the revenues derived by the District from the 2007 Assessments (the "2007 Pledged Revenues") and the Funds and Accounts (except for the 2007 Rebate Account) established hereby (the "2007 Pledged Funds and Accounts") which shall comprise a part of the Trust Estate securing the 2007 Bonds (the "2007 Trust Estate");

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

**IN TRUST NEVERTHELESS**, except as in each such case may otherwise be provided in the Master Indenture, upon the terms and trusts in the Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the 2007

3

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 and Completion Agreement"** shall mean the Acquisition and Completion Agreement, dated as of the date of closing on the 2007 Bonds, between the District and Amelia Concourse Development LLC, a Florida limited liability company.

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

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

**"Capital Improvement Program"** shall mean the program of assessable capital improvements established by the District in the Assessment Proceedings, a portion of which is comprised of the 2007 Project.

**"Deemed Outstanding"** shall mean the aggregate Outstanding principal amount of 2007 Bonds, reduced by the result of dividing (x) the amount on deposit in the 2007 Prepayment Subaccount in the 2007 Redemption Account by (y) 1- the 2007 Reserve Percentage.

**"Deferred Costs"** shall mean the Costs of the Capital Improvement Program which have not been paid from the General Subaccount in the 2007 Acquisition and Construction Account and which are identified by the District to the Trustee in writing as having been advanced under the Acquisition Agreement or any other contract or agreement pursuant to which the District may become obligated to pay for Costs of the Capital Improvement Program from the Deferred Costs Subaccount in the 2007 Acquisition and Construction Account.

**"Deferred Costs Date of Completion"** shall mean the Date of Completion of the Capital Improvement Program, as evidenced by a certificate of the Consulting Engineer establishing the Date of Completion of a Series Project, as defined in the Master Indenture, accompanied by the certificate of an Authorized Officer directed to the Trustee, on which the Trustee may conclusively rely, stating that there remain no unpaid Deferred Costs.

5

**"Delinquent Assessment Interest"** shall mean 2007 Assessment Interest deposited by the District with the Trustee on or after May 1 of the year in which such Assessment Interest has, or would have, become delinquent under State law applicable thereto.

**"Delinquent Assessment Principal"** shall mean 2007 Assessment Principal deposited by the District with the Trustee on or after May 1 of the year in which such 2007 Assessment Principal has, or would have, become delinquent under State law applicable thereto.

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

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

**"Interest Payment Date"** shall mean each May 1 and November 1, commencing November 1, 2007.

**"Investment Grade Rating"** shall mean either a rating on the Series 2007 Bonds of "BBB-" or higher by S&P or a rating of "Baa3" or higher by Moody's or a rating of "BBB-" or higher by Fitch Ratings, Inc.

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

**"Redemption Date"** shall mean, in the event that the 2007 Bonds are to be redeemed in part, each Interest Payment Date, or, in the event that the 2007 Bonds are to be redeemed in full, any date.

**"Substantially Absorbed"** shall mean the date on which a principal amount of the 2007 Assessments equaling at least seventy-five percent (75%) of the then-Outstanding principal amount of the Series 2007 Bonds are levied on lands within the District with respect to which a certificate of occupancy has been issued for a structure thereon.

**"2007 Assessment Interest"** shall mean the interest on the 2007 Assessments which is pledged to the 2007 Bonds.

6

exempt from federal income taxation under Section 103 of the Code and rated in one of the top two rating categories by both Moody's and S&P;

(viii) both (A) shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940) or a regulated investment company (as defined in Section 851(a) of the Code) that is a money market fund that is rated in the highest rating category by either Moody's or S&P, and (B) shares of money market mutual funds that invest only in Government Obligations and repurchase agreements secured by such obligations, which funds are rated in the highest categories for such funds by either Moody's or S&P;

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

(A) Failure to maintain the requisite Collateral percentage will require the District of the Trustee to liquidate the Collateral as provided above;

8

**"2007 Assessment Principal"** shall mean the principal amount of 2007 Assessments, other than applicable Delinquent Assessment Principal and 2007 Prepayment Principal.

**"2007 Assessment Proceedings"** shall mean the proceedings of the District with respect to the establishment, levy and collection of the 2007 Assessments, including, but not limited to Resolutions No. 2007-21, 2007-22, 2007-24 and 2007-26, adopted by the Governing Body of the District, and any supplemental proceedings undertaken by the District with respect to the 2007 Assessments.

**"2007 Assessment Revenues"** shall mean all revenues derived by the District from the 2007 Assessments.

**"2007 Bonds"** shall mean \$7,350,000 Amelia Concourse Community Development District Capital Improvement Revenue Bonds, Series 2007.

**"2007 Investment Obligations"** shall mean and includes any of the following securities, if and to the extent that such securities are legal investments for funds of the District;

- (i) Government Obligations;
- (ii) obligations of the Government National Mortgage Association (including participation certificates issued by such Association);
- (iii) obligations of the Fannie Mae (including participation certificates issued by such corporation);
- (iv) obligations of Federal Home Loan Banks;
- (v) deposits, Federal funds or bankers' acceptances (with term to maturity of 270 days or less) of any bank which has an unsecured, uninsured and unguaranteed obligation rated in one of the top two rating categories by both Moody's and S&P;
- (vi) commercial paper rated in the top two rating categories by both Moody's and S&P;
- (vii) obligations of any state of the United States or political subdivision thereof or constituted authority thereof the interest on which is

7

(B) The Holder of the Collateral, as hereinafter defined, shall have possession of the Collateral or the Collateral shall have been transferred to the Holder of the Collateral, in accordance with applicable state and federal laws (other than by means of entries on the transferrer's books);

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

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

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

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

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

(H) The term of the repurchase agreement shall be no longer than ten years;

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

9

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

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

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

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

(x) any other investment approved in writing by the Owners of a majority in aggregate principal amount of the Bonds secured thereby;

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

(xii) investment agreements with a bank, insurance company or other financial institution, or the subsidiary of a bank, insurance company or other financial institution if the parent guarantees the investment agreement,

10

(3) have the agreement guaranteed by a Provider acceptable to the District.

(F) in the event of a suspension, withdrawal, or downgrade below A3, A- or A- by Moody's, S&P or Fitch, respectively, the provider must, at the direction of the District or the Trustee, within five (5) days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment in either case with no penalty or premium to the District or Trustee. In the event the Provider has not satisfied the above condition with five (5) days of the date such conditions apply, then the agreement shall provide that the Trustee shall be entitled to, and in such event, the Trustee shall withdraw the entire amount invested plus accrued interest within two (2) Business days.

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

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

(xv) other investments permitted by Florida law.

Under all circumstances, the Trustee shall be entitled to request and to receive from the District a certificate of an Authorized Officer setting forth that any investment directed by the District is permitted under the Indenture.

"2007 Pledged Revenues" shall mean the 2007 Assessments.

"2007 Prepayment Principal" shall mean the excess amount of 2007 Assessment Principal received by the District over the 2007 Assessment Principal included within an Assessment appearing on any outstanding and unpaid tax bill, whether or not mandated to be prepaid in accordance with the Assessment Proceedings. Anything herein or in the Master Indenture to

12

which bank, insurance company, financial institution or parent has an unsecured, uninsured and unguaranteed obligation (or claims-paying ability) rated in the highest short-term rating category by Moody's or S&P (if the term of such agreement does not exceed 365 days), or has an unsecured, uninsured and unguaranteed obligation (or claims paying ability) rated by at least 2 national rating agencies with a minimum rating of Aa2, AA or AA by Moody's, S&P or Fitch, respectively (if the term of such agreement is more than 365 days) or is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation of the aforesaid ratings, provided:

(A) interest is paid at least quarterly at a fixed rate (subject to adjustments for yield restrictions required by the Code) during the entire term of the agreement;

(B) moneys invested thereunder may be withdrawn without penalty, premium, or charge upon not more than two days' notice unless otherwise approved by the District;

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

(D) the Trustee receives an opinion of counsel that such agreement is an enforceable obligation of such insurance company, bank, financial institution or parent;

(E) in the event of a suspension, withdrawal, or downgrade below Aa3, AA- or AA- by Moody's, S&P or Fitch, respectively, the provider shall immediately notify the Trustee and the provider shall at its option, within five (5) days of receipt of publication of such downgrade, either, at the choice of the Provider:

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

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

11

the contrary notwithstanding, the term 2007 Prepayment Principal shall not mean the proceeds of any Refunding Bonds or other borrowing of the District.

"2007 Reserve Account Percentage" shall mean: (i) initially, the result of dividing (x) the 2007 Reserve Account Requirement on the date of initial issuance and delivery of the 2007 Bonds (\$516,437.50), by (y) the initial Outstanding aggregate principal amount of the 2007 Bonds, which equals 7.0264%; and (ii) subsequent to the first date on which either the 2007 Bonds have received an Investment Grade Rating or the 2007 Assessments have been Substantially Absorbed, in each case as evidenced by a certificate to such effect delivered to the Trustee from an Authorized Officer on which the Trustee may conclusively rely, the 2007 Reserve Account Percentage shall mean the lesser of (X) the result of dividing 50% of the Maximum Annual Debt Service Requirement on the Outstanding principal amount of the 2007 Bonds by the then-Outstanding principal amount of the 2007 Bonds or (Y) the amount determined in clause (i) above.

"2007 Reserve Account Requirement" shall mean (A) on the date of initial issuance of the 2007 Bonds, the lesser of: (i) Maximum Annual Debt Service Requirement for all Outstanding 2007 Bonds, (ii) 125% of the average annual debt service for all Outstanding 2007 Bonds, or (iii) 10% of the proceeds of the 2007 Bonds calculated as of the date of original issuance thereof, and, thereafter, (B) the Series 2007 Reserve Account Percentage times the Deemed Outstanding principal amount of the 2007 Bonds, as of the time of any such calculation.

## ARTICLE II AUTHORIZATION, ISSUANCE AND PROVISIONS OF 2007 BONDS

**Section 201. Authorization of 2007 Bonds; Book-Entry Only Form** The 2007 Bonds are hereby authorized to be issued in one Series in the aggregate principal amount of \$7,350,000 for the purposes enumerated in the recitals hereto to be designated "Amelia Concourse Community Development District Capital Improvement Revenue Bonds, Series 2007." The 2007 Bonds shall be substantially in the form set forth as Exhibit B to this First Supplemental Indenture. Each 2007 Bond shall bear the designation "2007R" and shall be numbered consecutively from 1 upwards.

13

The 2007 Bonds shall be initially issued in the form of a separate single certificated fully registered 2007 Bond for each Series and maturity thereof. Upon initial issuance, the ownership of each such 2007 Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the initial Bond Depository. Except as provided in this Section 201, all of the Outstanding 2007 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 2007 Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any indirect Bond Participant. Without limiting the immediately preceding sentence, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Bond Participant with respect to any ownership interest in the 2007 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 2007 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 2007 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent shall treat and consider the person in whose name each 2007 Bond is registered in the registration books kept by the Bond Registrar as the absolute owner of such 2007 Bond for the purpose of payment of principal, premium and interest with respect to such 2007 Bond, for the purpose of giving notices of redemption and other matters with respect to such 2007 Bond, for the purpose of registering transfers with respect to such 2007 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the 2007 Bonds only to or upon the order of the respective Owners, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the 2007 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 2007 Bond evidencing the obligation of the District to make payments of principal, premium, if any, and

14

**Section 204. Paying Agent.** The 2007 Bonds shall be issued in Authorized Denominations; provided, however, that the 2007 Bonds shall be delivered to the initial purchasers thereof only in aggregate principal amounts of \$100,000 or integral multiples of Authorized Denominations in excess of \$100,000.

**Section 205. Paying Agent.** The District appoints the Trustee as Paying Agent for the 2007 Bonds.

**Section 206. Bond Registrar.** The District appoints the Trustee as Bond Registrar for the 2007 Bonds.

**Section 207. Conditions Precedent to Issuance of 2007 Bonds.** In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the 2007 Bonds, all the 2007 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 copies of the Master Indenture and this First Supplemental Indenture;
- (c) A Bond Counsel opinion to the effect that: (i) the District has the right and power under the Act as amended to the date of such opinion to authorize, execute and deliver the Master Indenture and this First Supplemental Indenture, and the Master Indenture and this First Supplemental Indenture have been duly and lawfully authorized, executed and delivered by the District, are in full force and effect and are valid and binding upon the District and enforceable in accordance with their respective terms; (ii) the Master Indenture, as amended and supplemented by this First Supplemental Indenture, creates the valid pledge which it purports to create of the 2007 Trust Estate in the manner and to the extent provided in the Master Indenture and this First Supplemental Indenture; and (iii) the 2007 Bonds are valid, binding, special obligations of the District, enforceable in accordance with their terms and the terms of the Master Indenture and this First Supplemental Indenture, subject to bankruptcy, insolvency or other laws affecting the rights of creditors generally and entitled to the benefits of the Act as amended to the date of such opinion, and the 2007 Bonds have been duly and validly authorized and issued in accordance with law and the Master Indenture and this First Supplemental Indenture;

16

interest pursuant to the provisions hereof. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new Nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the words "Cede & Co." in this 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 2007 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 2007 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 2007 Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, but may be registered in whatever name or names Owners transferring or exchanging the 2007 Bonds shall designate, in accordance with the provisions hereof.

**Section 202. Terms** The 2007 Bonds shall be Term Bonds, shall be issued in one Series, shall bear interest at the fixed interest rate per annum and shall mature in the amount and on the date set forth below:

Series	Principal Amount	Maturity Date	Interest Rate	CUSIP
2007	\$7,350,000.00	May 1, 2038	5.750%	023440AA8

**Section 203. Denominations.** Each 2007 Bond shall be dated July 26, 2007. Each 2007 Bond also shall bear its date of authentication. Each 2007 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 2007 Bond has been paid, in which event such 2007 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the 2007 Bonds, in which event, such 2007 Bond shall bear interest from its date. Interest on the 2007 Bonds shall be due and payable on each May 1 and November 1, commencing November 1, 2007, and shall be computed on the basis of a 360-day year of twelve 30-day months.

15

- (d) The District Counsel opinion required by the Master Indenture;
- (e) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the 2007 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) An Engineers' Certificate or Engineers' Certificates which set forth the estimated Cost of the 2007 Project;
- (g) A certified copy of the final judgment of validation in respect of the Bonds together with a certificate of no appeal.

### ARTICLE III REDEMPTION OF 2007 BONDS

**Section 301. Bonds Subject to Redemption.** The 2007 Bonds are subject to redemption prior to maturity as provided in the form thereof set forth as Exhibit B to this First Supplemental Indenture. Interest on 2007 Bonds which are called for redemption shall be paid on the Redemption Date from the 2007 Interest Account corresponding to the 2007 Bonds to be called or from the 2007 Revenue Account to the extent monies in the corresponding 2007 Interest Account are insufficient for such purpose.

**Section 302. Redemption from Excess Acquisition and Construction Account Proceeds** Excess moneys on deposit in the Series 2007 Acquisition and Construction Fund which are to be deposited into a Series 2007 Prepayment Subaccount in the 2007 Redemption Account in accordance with Section 403 hereof shall be deposited into the Series 2007 Prepayment Account in the Series 2007 Redemption Account and applied to the extraordinary mandatory redemption of Series 2007 Bonds.

### ARTICLE IV DEPOSIT OF 2007 BOND PROCEEDS AND APPLICATION THEREOF; ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF

**Section 401. Establishment of Accounts** There are hereby established, the following Funds and Accounts.

17

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

(i) a 2007 Acquisition and Construction Account, and therein, a General Subaccount and a Deferred Costs Subaccount; and

(ii) a 2007 Costs of Issuance Account.

(b) There are hereby established within the Debt Service Fund held by the Trustee: (i) a 2007 Debt Service Account and therein a 2007 Sinking Fund Account, a 2007 Interest Account and a 2007 Capitalized Interest Account; and (ii) a 2007 Redemption Account, and, therein a 2007 Prepayment Subaccount and an Optional Redemption Subaccount;

(c) There is hereby established within the Reserve Fund held by the Trustee a 2007 Reserve Account, which shall be held for the benefit of all of the 2007 Bonds, without distinction and without privilege or priority of one 2007 Bond over another;

(d) There is hereby established within the Revenue Fund held by the Trustee a 2007 Revenue Account; and

(e) There is hereby established within the Rebate Fund held by the Trustee a 2007 Rebate Account.

**Section 402. Use of 2007 Bond Proceeds.** The net proceeds of sale of the 2007 Bonds, \$7,239,750.00, (comprised of a par amount of \$7,350,000, minus an underwriter's discount in the amount of \$110,250.00) shall as soon as practicable upon the delivery thereof to the Trustee by the District pursuant to Section 207 of the Master Indenture, be applied as follows:

(a) \$516,437.50, representing the 2007 Reserve Account Requirement shall be deposited to the credit of the 2007 Reserve Account;

(b) \$175,000.00, representing the costs of issuance relating to the 2007 Bonds shall be deposited to the credit of the 2007 Costs of Issuance Account;

(c) \$496,363.22, representing capitalized interest on the 2007 Bonds through November 1, 2008 shall be deposited to the credit of the 2007 Capitalized Interest Account; and

(d) \$6,051,949.28 shall be deposited to the credit of the General Subaccount in the 2007 Acquisition and Construction Account.

18

Acquisition and Construction Account (other than the "Reserved Amount") shall, at the written direction of the District, be used to pay Deferred Costs upon compliance with the requisition provisions set forth in Section 503(b) of the Master Indenture and pursuant to the Acquisition Agreement. After the Date of Completion of the 2007 Project and until the Deferred Costs Date of Completion and after the expenditure of all amounts on deposit in the General Subaccount in the 2007 Acquisition and Construction Account other than the Reserved Amount for such purpose, amounts on deposit in the Deferred Costs Subaccount in the 2007 Acquisition and Construction Account shall be used to pay Deferred Costs upon compliance with the requisition provisions set forth in Section 503(b) of the Master Indenture and pursuant to the Acquisition Agreement at the written direction of the District. The District will provide the Trustee on each May 1 and November 1 in writing with the amount of all accrued and unpaid Deferred Costs.

(c) From and after the Deferred Costs Date of Completion, any amounts on deposit in the Deferred Costs Subaccount in the 2007 Acquisition and Construction Account shall be transferred into the 2007 Revenue Account in the Revenue Fund.

(d) Amounts on deposit in the 2007 Capitalized Interest Account shall, until and including November 1, 2007, be transferred into the 2007 Interest Account and applied to the payment of interest first coming due on the 2007 Bonds, and thereafter transferred into the General Subaccount in the 2007 Acquisition and Construction Account.

**Section 404. 2007 Costs of Issuance Account.** The amount deposited in the 2007 Costs of Issuance Account shall, at the written direction of an Authorized Officer to the Trustee, be used to pay the costs of issuance relating to the 2007 Bonds. At the written direction of an Authorized Officer, any amounts deposited in the 2007 Costs of Issuance Account which are not needed to pay such costs shall be transferred over and deposited into the General Subaccount in the 2007 Acquisition and Construction Account and used for the purposes permitted therefor.

**Section 405. 2007 Reserve Account.** Amounts on deposit in the 2007 Reserve Account shall be used only for the purpose of making payments into the 2007 Interest Account and the 2007 Sinking Fund Account to pay Debt Service on the 2007 Bonds, when due, without distinction as to 2007 Bonds and without privilege or priority of one 2007 Bond over another, to the extent the moneys on deposit in such Accounts therein and available therefor are insufficient and for no other purpose, except as specified in this First

20

**Section 403. 2007 Acquisition and Construction Account and 2007 Capitalized Interest Account** (a) Amounts on deposit in the General Subaccount in the 2007 Acquisition and Construction Account shall be applied to pay the Costs of the 2007 Project upon compliance with the requisition provisions set forth in Section 503(b) of the Master Indenture. After the later of the Date of Completion of the 2007 Project or the Deferred Costs Date of Completion, any balance remaining in the General Subaccount in the Acquisition and Construction Account other than the Reserved Amount (as defined herein) and after retaining the amount, if any, of all remaining unpaid Deferred Costs set forth in the Engineers' Certificate establishing such Deferred Costs Date of Completion, shall be applied in accordance with Section 301 hereof to the extraordinary mandatory redemption of the 2007 Bonds in the manner prescribed in the form of 2007 Bond set forth as Exhibit B hereto.

(b) Anything herein or in the Master Indenture to the contrary notwithstanding, until the Deferred Costs Date of Completion: (i) the Trustee shall not close the Deferred Costs Subaccount in the 2007 Acquisition and Construction Account; and (ii) the Trustee shall deposit into the Deferred Costs Subaccount in the 2007 Acquisition and Construction Account the amounts transferred pursuant to Sections 405 and 407 hereof which amounts shall be held separate and apart from other amounts on deposit in the 2007 Acquisition and Construction Account, including amounts on deposit in the General Subaccount. Until the Date of Completion of the 2007 Project, amounts on deposit in the Deferred Costs Subaccount in the Acquisition and Construction Account shall be transferred to the General Subaccount in the 2007 Acquisition and Construction Account to pay accrued but unpaid Costs of the 2007 Project to the extent that moneys theretofore on deposit in the General Subaccount in the 2007 Acquisition and Construction Account are insufficient therefor. On the Date of Completion of the 2007 Project the District shall cause the Trustee to transfer from the Deferred Costs Subaccount in the 2007 Acquisition and Construction Account to the General Subaccount in the 2007 Acquisition and Construction Account the amount which is necessary (taking into account moneys already on deposit in the General Subaccount of the Acquisition and Construction Account) to pay any accrued but unpaid Costs of the 2007 Project which are required to be reserved in the General Subaccount in the 2007 Acquisition and Construction Account in accordance with in the certificate of the Consulting Engineer establishing such Date of Completion (the "Reserved Amount"). After the Date of Completion of the 2007 Project and until the Deferred Costs Date of Completion, amounts on deposit in the General Subaccount in the 2007

19

Supplemental Indenture. Such Accounts shall consist only of cash and 2007 Investment Obligations.

Anything herein or in the Master Indenture to the contrary notwithstanding, on the forty-fifth (45<sup>th</sup>) day preceding each Redemption Date (or, if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the first Business day preceding such forty-fifth (45<sup>th</sup>) day), the Trustee is hereby authorized and directed to recalculate the 2007 Reserve Account Requirement and to transfer (1) any excess on deposit in the 2007 Reserve Account resulting from the Prepayment of 2007 Bonds into the 2007 Prepayment Subaccount of the 2007 Redemption Account and applied to the extraordinary mandatory redemption of the 2007 Bonds and (2) any excess on deposit in the 2007 Reserve Account resulting from anything other than as described in (1) above and earnings on amounts on deposit in the 2007 Reserve Account which shall be applied in accordance with the provisions of 408(g) hereof, prior to the Deferred Costs Date of Completion, and to the extent that there are accrued but unpaid Deferred Costs, into the Deferred Costs Subaccount in the 2007 Acquisition and Construction Account, and after the Deferred Costs Date of Completion, any excess shall be deposited into the 2007 Prepayment Subaccount of the 2007 Redemption Account and applied to the extraordinary mandatory redemption of the 2007 Bonds.

On the earliest date on which there is on deposit in the 2007 Reserve Account, sufficient monies, after taking into account any Deferred Costs and after taking into account other monies available therefor, to pay and redeem all of the Outstanding 2007 Bonds, together with accrued interest and redemption premium, if any, on such 2007 Bonds to the earliest date of redemption permitted therein and herein, then the Trustee shall transfer the amount on deposit in the 2007 Reserve Account into the 2007 Prepayment Subaccount in the 2007 Redemption Account to pay and redeem all of the Outstanding 2007 Bonds on the earliest date permitted for redemption therein and herein.

**Section 406. Amortization Installments.** (a) The Amortization Installments are established for the 2007 Bonds shall be as set forth in the forms of Bonds attached hereto.

(b) Upon any redemption of 2007 Bonds (other than 2007 Bonds redeemed in accordance with scheduled Amortization Installments and other than 2007 Bonds redeemed at the direction of the District accompanied by a cash flow certificate as required by Section 506(b) of the Master Indenture), the District shall cause to be recalculated and delivered to the Trustee

21

revised Amortization Installments recalculated so as to amortize the Outstanding 2007 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the 2007 Bonds.

**Section 407. Tax Covenants and Rebate Accounts.** The District shall comply with the Tax Regulatory Covenants set forth as Exhibit C to this First Supplemental Indenture, as amended and supplemented from time to time in accordance with their terms.

**Section 408. Establishment of 2007 Revenue Account in Revenue Fund; Application of Revenues and Investment Earnings.**

(a) The Trustee is hereby authorized and directed to establish within the Revenue Fund a 2007 Revenue Account into which the Trustee shall deposit any and all amounts required to be deposited therein by this Section 408 or by any other provision of the Master Indenture or this First Supplemental Indenture, and any other amounts or payments specifically designated by the District pursuant to a written direction or by a Supplemental Indenture for said purpose. The 2007 Revenue Account shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee.

(b) The District shall deposit into 2007 Revenue Account the amounts other than 2007 Assessment Revenues required to be deposited therein in accordance with the provisions of this Supplemental Indenture. In addition, the District shall deposit 2007 Assessment Revenues with the Trustee immediately upon receipt together with a written accounting setting forth the amounts of such 2007 Assessment Revenues in the following categories which shall be deposited by the Trustee into the Funds and Accounts established hereunder as follows:

(i) 2007 Assessment Principal, which shall be deposited into the 2007 Sinking Fund Account;

(ii) 2007 Prepayment Principal, which shall be deposited into the 2007 Prepayment Subaccount in the Redemption Account;

(iii) 2007 Delinquent Assessment Principal, which shall first be applied to restore the amount of any withdrawal from the 2007 Reserve Account to pay the principal of 2007 Bonds, and, the balance, if any, shall be deposited into the 2007 Sinking Fund Account;

subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the 2007 Sinking Fund Account not previously credited;

**THIRD**, to the 2007 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the 2007 Reserve Account Requirement with respect to the 2007 Bonds; and

**FOURTH**, the balance shall be retained in the 2007 Revenue Account.

Anything herein to the contrary notwithstanding, it shall not, a fortiori, constitute an Event of Default hereunder if the full amount of the foregoing deposits are not made due to an insufficiency of funds therefor.

(e) On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction, and the Trustee shall, transfer from the 2007 Revenue Account to the Rebate Account established for the 2007 Bonds in the Rebate Fund in accordance with the Master Indenture, the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Tax Regulatory Covenants.

(f) On or after each November 2, the balance on deposit in the 2007 Revenue Account shall until the Deferred Costs Date of Completion be transferred into the Deferred Costs Subaccount in the 2007 Acquisition and Construction Account and, after the Deferred Costs Date of Completion shall be paid over to the District at the written direction of an Authorized Officer of the District and used for any lawful purpose of the District; provided however, that on the date of such proposed transfer the amount on deposit in the 2007 Reserve Account in the 2007 Debt Service Reserve Fund shall be equal to the 2007 Reserve Account Requirement, and, provided further, that the Trustee shall not have actual knowledge (as described in Section 606 of the Master Indenture) of an Event of Default under the Master Indenture or hereunder relating to any of the 2007 Bonds, including the payment of Trustee's fees and expenses then due.

(g) Anything herein or in the Master Indenture to the contrary notwithstanding, earnings on investments in all of the Funds and Accounts held as security for the 2007 Bonds shall be invested only in 2007 Investment Obligations, and further, earnings on the 2007 Acquisition and Construction Account and the subaccounts therein, the 2007 Interest Account and the 2007 Capitalized Interest Account shall be retained, as realized, in such Accounts

(iv) 2007 Delinquent Assessment Interest, which shall first be applied to restore the amount of any withdrawal from the 2007 Reserve Account to pay the interest on 2007 Bonds, and, the balance, if any, deposited into the 2007 Revenue Account; and

(v) all other 2007 Assessment Revenues, which shall be deposited into the 2007 Revenue Account.

(c) On the forty-fifth (45<sup>th</sup>) day preceding each Redemption Date (or if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the Business Day next preceding such forty-fifth (45<sup>th</sup>) day), the Trustee shall determine the amount on deposit in the 2007 Prepayment Subaccount, and, if the balance therein is greater than zero, shall transfer from the 2007 Revenue Account for deposit into such Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to an integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of the corresponding Series of 2007 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in such Prepayment Subaccount in accordance with the provisions for extraordinary redemption of such Series of 2007 Bonds set forth in the respective form of 2007 Bond attached hereto, Section 301 hereof, and Article III of the Master Indenture.

(d) On May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall first transfer from the 2007 Capitalized Interest Account to the 2007 Interest Account the lesser of (x) the amount of interest coming due on the 2007 Bonds on such May 1 or November 1, less the amount already on deposit therein, or (y) the amount remaining in the 2007 Capitalized Interest Account. The Trustee shall then transfer amounts on deposit in the 2007 Revenue Account to the Funds and Accounts designated below in the following amounts and in the following order of priority:

**FIRST**, from the 2007 Revenue Account to the 2007 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all 2007 Bonds then Outstanding on such May 1 or November 1 less any amount transferred from the 2007 Capitalized Interest Account in accordance with Section 403(d) hereof and less any other amount already on deposit in the 2007 Interest Account not previously credited;

**SECOND**, to the 2007 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all 2007 Bonds

or subaccounts and used for the purpose of such Account or subaccount. Earnings on investments in the 2007 Sinking Fund Account and the 2007 Redemption Account and the Subaccounts therein shall be deposited, as realized, to the credit of the Deferred Costs Subaccount in the 2007 Acquisition and Construction Account and used for the purpose of such Account.

Earnings on investments in the 2007 Reserve Account shall be disposed of as follows:

(i) if there was no deficiency (as defined in Section 509 of the Master Indenture) in the 2007 Reserve Account as of the most recent date on which amounts on deposit in the 2007 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the 2007 Reserve Account since such date which have created a deficiency, then earnings on the 2007 Reserve Account shall be deposited into the 2007 Capitalized Interest Account through November 1, 2007 and thereafter into the Deferred Subaccount in the 2007 Acquisition and Construction Account and applied as provided for moneys on deposit therein; and

(ii) if as of the last date on which amounts on deposit in the 2007 Reserve Account were valued by the Trustee there was a deficiency (as defined in Section 509 of the Master Indenture), or if after such date withdrawals have been made from the 2007 Reserve Account and have created such a deficiency, then earnings on investments in the 2007 Reserve Account shall be deposited into the 2007 Reserve Account until the amount on deposit therein is equal to the 2007 Reserve Account Requirement, and then earnings on the 2007 Reserve Account shall be deposited into the 2007 Capitalized Interest Account through November 1, 2007 and thereafter into the Deferred Subaccount in the 2007 Acquisition and Construction Account and applied as provided for moneys on deposit therein.

**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 amended and supplemented by the 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.** Except as otherwise expressly stated in this First Supplemental Indenture, nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Articles VI and IX thereof.

**ARTICLE VI  
ADDITIONAL BONDS**

**Section 601. No Parity Bonds.** The District covenants and agrees that so long as there are any 2007 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the 2007 Trust Estate; provided, however, that the District reserves the right to issue bonds, notes or other obligations payable from or secured by the 2007 Trust Estate pledged to the 2007 Bonds, but only so long as such bonds, notes or other obligations are not entitled to a lien upon or charge against the 2007 Trust Estate equal or prior to the lien of this Supplemental Indenture securing the 2007 Bonds. Each bond, note or other obligation issued pursuant to the authority of the preceding sentence shall conspicuously state on the face thereof that such obligation is, and such obligation shall be, subordinate and inferior in right of lien and payment to the lien of the Master Indenture and this First Supplemental Indenture on such 2007 Trust Estate and the rights and remedies of the holders of such subordinate debt to payment and upon default thereon and under any instrument securing such subordinate debt shall not be subject to action for collection or acceleration thereof except upon the exercise of and subject to the first and prior rights of the Trustee and Owners of the 2007 Bonds to payment and the control of remedies and acceleration granted hereunder and under the Master Indenture.

**ARTICLE VII  
MISCELLANEOUS**

**Section 701. Confirmation of Master Indenture.** As supplemented by this First Supplemental Indenture, the Master Indenture is in all respects 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 2007 Bonds issued hereunder.

**Section 702. Continuing Disclosure Agreement.** Contemporaneously with the execution and delivery hereof, the District has executed and delivered a Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934. The District covenants and agrees to comply with the provisions of such Continuing Disclosure Agreement; however, as set forth therein, failure to so comply shall not constitute an Event of Default hereunder, but, instead shall be enforceable by mandamus, injunction or any other means of specific performance.

**Section 703. Additional Covenant Regarding Assessments.** In addition, and not in limitation of, the covenants contained elsewhere in this Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the proceedings heretofore adopted with respect to the 2007 Assessments, including the Special Assessment Allocation Report, dated as of March 9, 2007, as supplemented, prepared by Rizzetta & Company, Inc. (the "Report"), and to levy the 2007 Assessments and required true up payments set forth in the Report, in such manner as will generate funds sufficient to pay the principal of and interest on the 2007 Bonds, when due.

**Section 704. Collection of Assessments.** Anything herein or in the Master Indenture to the contrary notwithstanding, the District shall not be required to employ the Uniform Method to collect the 2007 Assessments with respect to any tax parcel which has not been platted for its intended use and issued a separate tax parcel identification number prior to the date on which a tax roll is required to be certified to the Tax Collector.

**IN WITNESS WHEREOF,** Amelia Concourse 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 elected Vice President.

**SEAL**

**AMELIA CONCOURSE COMMUNITY  
DEVELOPMENT DISTRICT**

Attest:

\_\_\_\_\_  
Secretary

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

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

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

**EXHIBIT A  
Description of 2007 Project  
[See Report of District Engineer  
which is attached hereto.]**

**EXHIBIT B**  
**FORM OF 2007 BONDS**  
**[TEXT OF 2007 BOND FACE]**

No. 2007RA- §

United States of America  
State of Florida

**AMELIA CONCOURSE COMMUNITY DEVELOPMENT DISTRICT**  
**CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2007**

Interest Rate	Maturity Date	Dated Date	CUSIP
5.750%	May 1, 2038	July 26, 2007	023440AA8

Registered Owner: CEDE & CO.

**Principal Amount:**

**AMELIA CONCOURSE COMMUNITY DEVELOPMENT DISTRICT**, a community development district duly established and existing pursuant to Chapter 190, Florida Statutes (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the registered Owner set forth above, or registered assigns, on the maturity date shown hereon, unless this Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture 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, 2007, 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

B-1

more particularly described in Exhibit A to the Supplemental Indenture, the "2007 Project"); (ii) pay certain costs associated with the issuance of the 2007 Bonds; (iii) pay a portion of the interest first coming due on the 2007 Bonds; and (iv) make a deposit into the related Series Reserve Account for the benefit of all of the 2007 Bonds.

NEITHER THIS BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS BOND AND THE SERIES OF WHICH IT IS A PART AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON AND THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE MASTER INDENTURE OR IN THE SUPPLEMENTAL INDENTURE AUTHORIZING THE ISSUANCE OF THE 2007 BONDS. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE, OR THE 2007 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE, OR THE 2007 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2007 PLEDGED REVENUES AND THE 2007 PLEDGED FUNDS PLEDGED TO THE 2007 BONDS, ALL AS PROVIDED HEREIN, IN THE MASTER INDENTURE AND IN THE SUPPLEMENTAL INDENTURE.

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

IN WITNESS WHEREOF, Amelia Concourse Community Development District has caused this Bond to bear the signature of the

B-3

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, or, if such day is not a Business Day on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 of the Master Indenture (hereinafter defined), the payment of interest and principal or Redemption Price or Amortization Installments shall be made by the Paying Agent (hereinafter defined) to such person, who, on a special record date which is fixed by the Trustee, which shall be not more than 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 Bond. Any payment of principal, Maturity Amount or Redemption Price shall be made only upon presentation hereof at the designated corporate trust office of U.S. Bank National Association, located in Jacksonville, Florida, or any alternate or successor paying agent (collectively, the "Paying Agent"). Payment of interest shall be made by check or draft (or by wire transfer to the registered Owner set forth above if such Owner requests such method of payment in writing on or prior to the regular record date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner set forth above owns not less than \$1,000,000 in aggregate principal amount of the 2007 Bonds, as defined below). 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 "Capital Improvement Revenue Bonds, Series 2007" in the aggregate principal amount of \$7,350,000 (the "2007 Bonds") (the "2007 Bonds," together with any other Bonds issued under and governed by the terms of, the Master Indenture, are hereinafter collectively referred to as the "Bonds"), under a Master Trust Indenture, dated as of July 1, 2007 (the "Master Indenture"), between the District and U.S. Bank National Association, located in Jacksonville, Florida, as trustee (the "Trustee"), as amended and supplemented by a First Supplemental Indenture, dated as of July 1, 2007 (the "Supplemental Indenture"), between the District and the Trustee (the Master Indenture as amended and supplemented by the Supplemental Indenture is hereinafter referred to as the "Indenture"). The 2007 Bonds are issued in an aggregate principal amount of \$7,350,000 to (i) finance the Cost of acquiring, constructing and equipping assessable improvements comprising a part of the Capital Improvement Program (as

B-2

Chairman of its Board of Supervisors and the official seal of the District to be impressed or imprinted hereon and attested by the signature of the Secretary to the Board of Supervisors.

Attest: **AMELIA CONCOURSE COMMUNITY DEVELOPMENT DISTRICT**

Assistant Secretary By:  
Chairman, Board of Supervisors

[Official Seal]

**[FORM OF CERTIFICATE OF AUTHENTICATION FOR 2007 BONDS]**

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

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

Date of Authentication: By:  
Vice President

B-4

[TEXT OF 2007 BOND]

This Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes (2006), and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the corporate trust office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, Maturity Amount and Redemption Price of, and the interest on, the Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of Assessments (as defined in the Indenture), the terms and conditions under which the Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Owners of the Bonds, and, by the acceptance of this Bond, the Owner hereof assents to all of the provisions of the Indenture. The 2007 Bonds are equally and ratably secured by the 2007 Trust Estate, without preference or priority of one 2007 Bond over another. The Supplemental Indenture does not authorize the issuance of any additional Bonds ranking on a parity with the 2007 Bonds as to the lien and pledge of the Trust Estate.

The 2007 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 2007 Bonds shall be delivered to the initial purchasers thereof only in aggregate principal amounts of \$100,000 or integral multiples of Authorized Denominations in excess of \$100,000. This Bond is transferable by the registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee in Jacksonville, Florida, as Bond Registrar (the "Bond Registrar"), upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably satisfactory to the Bond Registrar, subject to such reasonable regulations as the District or the Bond Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new Bond or Bonds, in the same aggregate principal amount as the Bond or Bonds transferred, will be issued to the transferee. At the corporate trust office of the Bond Registrar in Jacksonville, Florida, in the manner and subject to the limitations and conditions provided in the Master Indenture and without cost, except for any

B-5

to reamortize the remaining Outstanding principal balance of the 2007 Bonds as set forth in the Supplemental Indenture.

The 2007 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Interest Payment Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

(a) on or after the later of the Date of Completion of the 2007 Project (as such terms are defined in the Indenture) or the Deferred Costs Date of Completion (as such terms are defined in the Indenture), by application of moneys transferred from the General Subaccount of the 2007 Acquisition and Construction Account in the Acquisition and Construction Fund established under the Indenture to the 2007 Prepayment Subaccount of the 2007 Redemption Account in accordance with the terms of the Indenture; or

(b) from Prepayments of 2007 Assessments (as defined in the Indenture) deposited into the 2007 Prepayment Subaccount of the 2007 Redemption Account; or

(c) from amounts transferred to the 2007 Prepayment Subaccount of the 2007 Redemption Account resulting from a reduction in the 2007 Reserve Account Requirement as provided for in the Indenture, and, on the date on which the amount on deposit in the 2007 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the 2007 Bonds then Outstanding, including accrued interest thereon.

If less than all of the 2007 Bonds of a Series shall be called for redemption, the particular 2007 Bonds or portions of 2007 Bonds of a Series to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

Notice of each redemption of 2007 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date to each registered Owner of 2007 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 2007 Bonds or such portions thereof so called

B-7

tax or other governmental charge, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate or rates.

The 2007 Bonds are subject to redemption prior to maturity at the option of the District in whole or in part at any time on or after May 1, 2017 (less than all 2007 Bonds to be selected by lot) at the Redemption Price of par together with accrued interest to the date of redemption.

The 2007 Bonds are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the 2007 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments (as defined in the Master Indenture) at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
2009	\$ 95,000	2024	\$225,000
2010	100,000	2025	235,000
2011	105,000	2026	250,000
2012	110,000	2027	265,000
2013	120,000	2028	280,000
2014	125,000	2029	300,000
2015	135,000	2030	315,000
2016	140,000	2031	335,000
2017	150,000	2032	355,000
2018	160,000	2033	375,000
2019	170,000	2034	395,000
2020	175,000	2035	420,000
2021	190,000	2036	445,000
2022	200,000	2037	470,000
2023	210,000	2038	500,000 *

\* Maturity

As more particularly set forth in the Master Indenture and Supplemental Indenture, any 2007 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 2007 Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of 2007 Bonds so as

B-6

for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such 2007 Bonds or such portions thereof on such date, interest on such 2007 Bonds or such portions thereof so called for redemption shall cease to accrue, such 2007 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 2007 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

The Owner of this Bond shall have no right to enforce the provisions of the Master 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.

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the 2007 Bonds then Outstanding under the Indenture may become and may be declared due and payable before the stated maturities thereof, with the interest accrued thereon.

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

Any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any Bond which remain unclaimed for six (6) years after the date when such Bond has become due and payable, either at its stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for six (6) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bond became due and payable, shall be paid to the District, and thereupon and thereafter no claimant shall have any rights against the Paying Agent to or in respect of such moneys.

B-8

If the District deposits or causes to be deposited with the Trustee cash or Federal Securities (as defined in the Indenture) sufficient to pay the principal or redemption price of any Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of the 2007 Bonds as to the Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

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

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

**CERTIFICATE OF VALIDATION**

This Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court for Nassau County, Florida, rendered on April 30, 2007.

Chairman

**[FORM OF BOND COUNSEL OPINION]**

**[FORM OF ABBREVIATIONS FOR 2007 BONDS]**

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

TEN COM as tenants in common

TEN ENT as tenants by the entireties

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

B-9

**EXHIBIT C  
TO FIRST SUPPLEMENTAL TRUST INDENTURE**

**TAX REGULATORY COVENANTS**

These Tax Regulatory Covenants are intended to set forth certain duties and requirements necessary for compliance with Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code") to the extent necessary to preserve the tax-exempt treatment of interest on the Amelia Concourse Community Development District Capital Improvement Revenue Bonds, Series 2007 (the "Bonds"). These Covenants are based upon Section 148(f) and Treasury Regulations Sections 1.148-0 through 1.148-11, 1.149(b)-1 and (d)-1, and 1.150-0 through 1.150-2 (the "Regulations"). However, they are not intended to be exhaustive. Since the requirements of such Section 148(f) are subject to amplification and clarification, it may be necessary to supplement or modify these Covenants from time to time to reflect any additional or different requirements of such Section and the Regulations or to specify that action required hereunder is no longer required or that some further or different action is required to maintain or assure the exemption from federal income tax of interest with respect to the Bonds.

The Bonds will be issued pursuant to a Master Trust Indenture, dated as of July 1, 2007 (the "Master Indenture"), from Amelia Concourse Community Development District (the "District") and U.S. Bank National Association, Jacksonville, Florida, as trustee (the "Trustee"), as amended and supplemented by a First Supplemental Trust Indenture, dated as of July 1, 2007 (the "Supplemental Indenture") (the Master Indenture, as amended and supplemented by the Supplemental Indenture is hereinafter referred to as the "Indenture").

**SECTION 1. TAX COVENANTS.** Pursuant to the Indenture, the District has made certain covenants designed to assure that the interest with respect to the Bonds is and shall remain excludable from gross income for purposes of federal income taxation. The District shall not, directly or indirectly, use or permit the use of any proceeds of the Bonds or any other funds or take or omit to take any action that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or that would cause interest on the Bonds to be included in gross income for federal income tax purposes under the provisions of the Code. The District shall comply with all other requirements as shall be determined by Bond Counsel to be necessary or appropriate to assure that interest on the Bonds will be

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

Additional abbreviations may also be used

though not in the above list.

**[FORM OF ASSIGNMENT FOR 2007 BONDS]**

For value received, the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_ within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, attorney to transfer the said Bond on the books of the District, with full power of substitution in the premises.

Dated:

Social Security Number or Employer

Identification Number of Transferee:

Signature guaranteed:

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

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

B-10

excludable from gross income for purposes of federal income taxation. To that end, the District shall comply with all requirements of Section 148 of the Code to the extent applicable to the Bonds.

**SECTION 2. DEFINITIONS.** Capitalized terms used herein, not otherwise defined herein, shall have the same meanings set forth in the Indenture and in the District's Certificate as to Arbitrage and Certain Other Tax Matters relating to the Bonds.

"Bond Counsel" means Nabors, Giblin & Nickerson, P.A., Tampa, Florida or such other firm of nationally recognized bond counsel as may be selected by the District.

"Bond Year" means any one-year period (or shorter period from the Issue Date) ending on the close of business on the day preceding the anniversary of the Issue Date.

"Code" means the Internal Revenue Code of 1986, as amended.

"Computation Date" means each date selected by the District as a computation date pursuant to Section 1.148-3(e) of the Regulations and the Final Computation Date.

"Fair Market Value" means, when applied to a Nonpurpose Investment, the Fair Market Value of such Investment as determined in accordance with Section 4 hereof.

"Final Computation Date" means the date the Bonds are discharged.

"Gross Proceeds" means, with respect to the Bonds:

- (1) amounts constituting Sale Proceeds of the Bonds.
- (2) amounts constituting Investment Proceeds of the Bonds.
- (3) amounts constituting Transferred Proceeds of the Bonds.
- (4) other amounts constituting Replacement Proceeds of the Bonds, including Pledged Moneys.

"Investment Proceeds" means any amounts actually or constructively received from investing proceeds of the Bonds.

"Investment Property" means any security, obligation or other property held principally as a passive vehicle for the production of income, within the meaning of Section 1.148-1(b) of the Regulations.

"Issue Date" means July 26, 2007.

"Net Proceeds" means Sale Proceeds, less the portion of such Proceeds invested in a reasonably required reserve or replacement fund under the Code.

"Nonpurpose Investment" shall have the meaning ascribed to such term in Section 148(b)(2) of the Code and shall include any Investment Property in which Gross Proceeds are invested which is not acquired to carry out the governmental purpose of the Bonds, e.g., obligations acquired with Gross Proceeds that are invested temporarily until needed for the governmental purpose of the Bonds, that are used to discharge a prior issue, or that are invested in a reasonably required reserve or replacement fund.

"Nonpurpose Payments" shall include the payments with respect to Nonpurpose Investments specified in Section 1.148-3(d)(1)(i)-(v) of the Regulations.

"Nonpurpose Receipts" shall include the receipts with respect to Nonpurpose Investments specified in Section 1.148-3(d)(2)(i)-(iii) of the Regulations.

"Pledged Moneys" means moneys that are reasonably expected to be used directly or indirectly to pay debt service on the Bonds (or to reimburse a municipal bond insurer) or as to which there is a reasonable assurance that such moneys or the earnings thereon will be available directly or indirectly to pay debt service on the Bonds (or to reimburse a municipal bond insurer) if the District encounters financial difficulties.

"Pre-Issuance Accrued Interest" means amounts representing interest that has accrued on an obligation for a period of not greater than one year before its issue date but only if those amounts are paid within one year after the Issue Date.

"Proceeds" means any Sale Proceeds, Investment Proceeds and Transferred Proceeds of the Bonds.

"Qualified Administrative Costs" means reasonable, direct administrative costs, other than carrying costs, such as separately stated

"Sale Proceeds" means any amounts actually or constructively received by the District from the sale of the Bonds, including amounts used to pay underwriter's discount or compensation and interest other than Pre-Issuance Accrued Interest. Sale Proceeds shall also include, but are not limited to, amounts derived from the sale of a right that is associated with a Bond and that is described in Section 1.148-4(b)(4) of the Regulations.

"Tax-Exempt Investment" means (i) an obligation the interest on which is excluded from gross income pursuant to Section 103 of the Code, (ii) United States Treasury-State and Local Government Series, Demand Deposit Securities, and (iii) stock in a tax-exempt mutual fund as described in Section 1.150-1(b) of the Regulations. Tax-Exempt Investment shall not include a specified private activity bond as defined in Section 57(a)(5)(C) of the Code. For purposes of these Covenants, a tax-exempt mutual fund includes any regulated investment company within the meaning of Section 851(a) of the Code meeting the requirements of Section 852(a) of the Code for the applicable taxable year; having only one class of stock authorized and outstanding; investing all of its assets in tax exempt obligations to the extent practicable; and having at least 98% of (1) its gross income derived from interest on, or gain from the sale of or other disposition of, tax exempt obligations or (2) the weighted average value of its assets represented by investments in tax exempt obligations.

"Transferred Proceeds" shall have the meaning provided therein in Section 1.148-9 of the Regulations.

"Universal Cap" means the value of all then outstanding Bonds.

"Value" (of a Bond) means with respect to a Bond issued with not more than two percent original issue discount or original issue premium, the outstanding principal amount, plus accrued unpaid interest; for any other Bond, its present value.

"Value" (of an Investment) shall have the following meaning in the following circumstances:

(1) General Rules. Subject to the special rules in the following paragraph, an issuer may determine the value of an investment on a date using one of the following valuation methods consistently applied for all purposes relating to arbitrage and rebate with respect to that investment on that date:

brokerage and selling commissions that are comparable to those charged nongovernmental entities in transactions not involving tax-exempt bond proceeds, but not legal and accounting fees, recordkeeping, custody or similar costs. In addition, with respect to a guaranteed investment contract or investments purchased for a yield restricted defeasance escrow, such costs will be considered reasonable if (1) the amount of the fee the District treats as a Qualified Administrative Cost does not exceed the lesser of (a) \$25,000, or (b) .2% of the "computational base;" and (2) the District does not treat as Qualified Administrative Costs more than \$75,000 in brokers' commissions or similar fees with respect to all guaranteed investment contracts and investments for yield restricted defeasance escrows purchased with Gross Proceeds of the issue. For purposes of this definition only, "computational base" shall mean the amount the District reasonably expects to be deposited in the guaranteed investment contract over the term of the contract or for investments other than guaranteed investment contracts, the amount of Gross Proceeds initially invested.

"Rebatable Arbitrage" means, as of any Computation Date, the excess of the future value of all Nonpurpose Receipts over the future value of all Nonpurpose Payments.

"Rebate Fund" means the Rebate Fund established pursuant to the Indenture and described in Section 3 hereof.

"Regulations" means Treasury Regulations Sections 1.148-0 through 1.148-11, 1.149(b)-1 and (d)-1, and 1.150-0 through 1.150-2, as amended, and any regulations amendatory, supplementary or additional thereto.

"Replacement Proceeds" means amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the Proceeds of the Bonds were not used or to be used for that governmental purpose. For this purpose, governmental purposes include the expected use of amounts for the payment of debt service on a particular date. The mere availability or preliminary earmarking of amounts for a governmental purpose, however, does not in itself establish a sufficient nexus to cause those amounts to be Replacement Proceeds. Replacement Proceeds include, but are not limited to, amounts held in a sinking fund or a pledged fund. For these purposes, an amount is pledged to pay principal of or interest on the Bonds if there is reasonable assurance that the amount will be available for such purposes in the event that the issuer encounters financial difficulties.

(a) an investment with not more than two percent original issue discount or original issue premium may be valued at its outstanding stated principal amount, plus accrued unpaid interest on such date;

(b) a fixed rate investment may be valued at its present value on such date; and

(c) an investment may be valued at its Fair Market Value on such date.

(2) Special Rules. Yield restricted investments are to be valued at present value provided that (except for purposes of allocating Transferred Proceeds to an issue, for purposes of the Universal Cap and for investments in a commingled fund other than a bona fide debt service fund unless it is a certain commingled fund):

(a) an investment must be valued at its Fair Market Value when it is first allocated to an issue, when it is disposed of and when it is deemed acquired or deemed disposed of, and provided further that;

(b) in the case of Transferred Proceeds, the Value of a Nonpurpose Investment that is allocated to Transferred Proceeds of a refunding issue on a transfer date may not exceed the Value of that investment on the transfer date used for purposes of applying the arbitrage restrictions to the refunded issue.

"Yield on the Bonds" or "Bond Yield" means, for all Computation Dates, the Yield expected as of the date hereof on the Bonds over the term of such Bonds computed by:

(i) using as the purchase price of the Bonds, the amount at which such Bonds were sold to the public within the meaning of Sections 1273 and 1274 of the Code; and

(ii) assuming that all of the Bonds will be paid at their scheduled maturity dates or in accordance with any mandatory redemption requirements.

"Yield" means, generally, the discount rate which, when used in computing the present value of all the unconditionally payable payments of principal and interest on an obligation and all the payments for qualified guarantees paid and to be paid with respect to such obligation, produces an amount equal to the present value of the issue price of such obligation.

Present value is computed as of the date of issue of the obligation. There are, however, many additional specific rules contained in the Regulations which apply to the calculation and recalculation of yield for particular obligations and such rules should be consulted prior to calculating the yield for the Bonds on any Computation Date. Yield shall be calculated on a 360-day year basis with interest compounded monthly. For this purpose the purchase price of a Nonpurpose Investment or a Tax-Exempt Investment is its Fair Market Value, as determined pursuant to Section 4 of these Covenants, as of the date that it becomes allocated to Gross Proceeds of the Bonds.

### SECTION 3. REBATE REQUIREMENTS.

(a) The District shall pay to the United States Government at the times and in the amounts determined hereunder, the Rebateable Arbitrage. For purposes of determining the Rebateable Arbitrage, the District shall make such calculations or cause the calculations to be made by competent tax counsel or other financial or accounting advisors or persons to ensure correct application of the rules contained in the Code and the Regulations relating to arbitrage rebate.

(b) pursuant to the Indenture, there has been established a fund separate from any other fund or account established and maintained under the Indenture designated the "Rebate Fund." The District or its designated agent shall administer the Rebate Fund and continuously invest all amounts held in the Rebate Fund in Governmental Obligations (as defined in the Indenture) or Tax-Exempt Investments.

(c) Within 30 days after any Computation Date, the District shall calculate or cause to be calculated the Rebateable Arbitrage or any penalty due pursuant to Section 3(f) hereof. Immediately following such calculations, but in no event later than 60 days following the Computation Date (90 days in the case of any penalty payment due pursuant to Section 3(f) hereof), the District shall remit an amount which when added to the future value of previous rebate payments shall not be less than 90% (100% with respect to the Computation Date on the final repayment or retirement of the Bonds) of the Rebateable Arbitrage or 100% of any penalty due pursuant to Section 3(f) hereof as of the applicable Computation Date.

Each payment shall be accompanied by Internal Revenue Service Form 8038-T.

(i) at least 15% of such Gross Proceeds are spent within the six-month period beginning on the Issue Date;

(ii) at least 60% of such Gross Proceeds are spent within the 1-year period beginning on the Issue Date; and

(iii) at least 100% of such Gross Proceeds are spent within the 18-month period beginning on the Issue Date.

As set forth in Section 1.148-7(d)(2) of the Regulations, for purposes of the expenditure requirements set forth in this Section 3(e), 100% of the Gross Proceeds of the Bonds shall be treated as expended for the governmental purposes of the issue within the 18-month period beginning on the Issue Date if such requirement is met within the 30-month period beginning on the Issue Date and such requirement would have been met within such 18-month period but for a reasonable retainage (not exceeding 5% of the Net Proceeds of the Bonds). If Gross Proceeds are in fact expended by such dates, then Rebateable Arbitrage need not be calculated and no payment thereof to the United States Department of Treasury need be made. Any failure to satisfy the final spending requirement shall be disregarded if the District exercises due diligence to complete the project financed by the Bonds and the amount of the failure does not exceed the lesser of (i) 3% of the issue price of the Bonds or (ii) \$250,000. Use of Gross Proceeds to redeem the Bonds shall not be treated as an expenditure of such Gross Proceeds. For purposes of this Section 3(e), "Gross Proceeds" shall be modified as described in Section 3(d) above.

(f) As an alternative to Sections 3(d) and (e) above, the obligation to pay Rebateable Arbitrage to the United States, as described herein, shall be treated as satisfied with respect to the Bonds if the Available Construction Proceeds (as defined in Section 148(f)(4)(c)(vi) of the Code and described below) are expended for the governmental purposes of the issue within the periods set forth below:

(i) at least 10% of such Available Construction Proceeds are spent within the six-month period beginning on the Issue Date;

(ii) at least 45% of such Available Construction Proceeds are spent within the 1-year period beginning on the Issue Date;

(iii) at least 75% of such Available Construction Proceeds are spent within the eighteen-month period beginning on the Issue Date; and

(d) The obligation to pay Rebateable Arbitrage to the United States, as described herein, shall be treated as satisfied with respect to the Bonds if (i) Gross Proceeds are expended for the governmental purpose of the Bonds by no later than the date which is six months after the Issue Date and if it is not anticipated that any other Gross Proceeds will arise during the remainder of the term of the Bonds and (ii) the requirement to pay Rebateable Arbitrage, if any, to the United States with respect to the portion of the Reserve Account allocable to the Bonds is met. For purposes of the preceding sentence, Gross Proceeds do not include (i) amounts deposited in a bona fide debt service fund, so long as the funds therein constitute bona fide debt service funds, or a reasonably required reserve or replacement fund (as defined in Section 1.148-1 of the Regulations and meeting the requirements of Section 1.148-2(f) of the Regulations), (ii) amounts that, as of the Issue Date, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the date which is six months after the Issue Date, (iii) amounts representing Sale or Investment Proceeds derived from any Purpose Investment (as defined in Section 1.148-1 of the Regulations) and earnings on those payments, and (iv) amounts representing any repayments of grants (as defined in Section 1.148-6(d)(4) of the Regulations). If Gross Proceeds are in fact expended by such date, then Rebateable Arbitrage need not be calculated and no payment thereof to the United States Department of Treasury need be made. Use of Gross Proceeds to redeem Bonds shall not be treated as an expenditure of such Gross Proceeds.

Notwithstanding the foregoing, if Gross Proceeds which were reasonably expected to be Gross Proceeds on the Issue Date actually become available after the date which is six months after the Issue Date, then the requirements described herein relating to the calculation of Rebateable Arbitrage and the payment thereof to the United States must be satisfied, except that no such calculation or payment need be made with respect to the initial six month period. Any other amounts not described in this Section 3(d) which constitute proceeds of the Bonds, other than a bona fide debt service fund, will be subject to rebate.

(e) As an alternative to Section 3(d) above, the obligation of the District to pay Rebateable Arbitrage to the United States, as described herein, shall be treated as satisfied with respect to the Bonds if (i) the rebate requirement is met for all proceeds of the Bonds other than Gross Proceeds (as defined in Section 3(d) hereof) and (ii) the Gross Proceeds are expended for the governmental purposes of the issue within the periods set forth below:

(iv) at least 100% of such Available Construction Proceeds are spent within the 2-year period beginning on the Issue Date.

For purposes of this Section 3(f), the term Available Construction Proceeds means the Net Proceeds of the Bonds, increased by earnings on the Net Proceeds and earnings on all of the foregoing earnings, and reduced by the amount of the Net Proceeds used to pay issuance costs (including bond insurance premium). Notwithstanding the foregoing, Available Construction Proceeds shall not include amounts earned on the Reserve Account after the earlier of the close of the two-year period beginning on the Issue Date or the date construction is substantially completed. Any amounts which constitute proceeds of the Bonds other than Available Construction Proceeds and amounts on deposit in a bona fide debt service fund will be subject to rebate.

As set forth in Section 148(f)(4)(C)(iii) of the Code, for purposes of the expenditure requirements set forth in this Section 3(f), 100% of Available Construction Proceeds of the Bonds shall be treated as expended for the governmental purposes of the issue within the 2-year period beginning on the Issue Date if such requirement is met within the 3-year period beginning on the Issue Date and such requirement would have been met within such 2-year period but for a reasonable retainage (not exceeding 5% of the Net Proceeds of the Bonds). Use of available construction proceeds to redeem the Bonds shall not be treated as an expenditure of such proceeds.

Any failure to satisfy the final spending requirement shall be disregarded if the District exercises due diligence to complete the project financed by the Bonds and the amount of the failure does not exceed the lesser of (i) 3% of the issue price of the Bonds or (ii) \$250,000.

For purposes of Section 148(f)(4)(C)(vii) of the Code, in the event the District fails to meet the expenditure requirements referred to above, the District may elect to pay, in lieu of the Rebateable Arbitrage otherwise required to be paid with respect to such Gross Proceeds, a penalty with respect to the close of each 6-month period after the Issue Date equal to 1.5% of the amount of the Available Construction Proceeds of the Bonds which, as of the close of such period, are not spent as required by the expenditure provisions set forth above. The penalty referred to above shall cease to apply only after the Bonds (including any refunding bonds issued with respect thereto) are no longer outstanding. The District makes no election in regard to the above-described penalty.

In order to qualify for the exemption from the obligation to pay Rebutable Arbitrage to the United States pursuant to this Section 3(f), at least 75% of the Available Construction Proceeds must be used for construction expenditures (as defined in Section 1.148-7(g) of the Regulations) with respect to property which is owned by a governmental unit or an organization described in Section 501(c)(3) of the Code. The term "construction" includes reconstruction and rehabilitation of existing property and rules similar to the rules of Section 142(b)(1)(B) of the Code shall apply. If only a portion of an issue is to be used for construction expenditures, such portion and the other portion of such issue may, at the election of the issuer, be treated as separate issues for purposes of this Section 3(f) (although the remaining portion may not be entitled to the benefits of Section 3(d) hereof). The District does not elect to treat any portion of the Bonds as a separate issue.

(g) The District shall keep proper books of records and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the moneys related to the Bonds, including moneys derived from, pledged to, or to be used to make payments on the Bonds. Such records shall, at a minimum, be adequate to enable the District or its consultants to make the calculations for payment of Rebutable Arbitrage as required by this Arbitrage Rebate Statement. The records required to be maintained under this Section 3(g) shall be retained by the District until six years after the retirement of the last obligation of the Bonds or for such other period as the United States Treasury may by regulations otherwise provide. Such records shall at least specify the account or fund to which each investment (or portion thereof) is to be allocated and shall set forth, in the case of each investment security, (i) its purchase price (including the amount of accrued interest to be stated separately), (ii) identifying information, including par amount, coupon rate, and payment dates, (iii) the amount received at maturity or its sale price, as the case may be, including accrued interest, (iv) the amounts and dates of any payments made with respect thereto, (v) the dates of acquisition and disposition or maturity, (vi) the amount of original issue discount or premium (if any), (vii) the frequency of periodic payments (and actual dates and amounts of receipts), (viii) the period of compounding, (ix) the transaction costs (e.g., commissions) incurred in acquiring, carrying or disposing of the Nonpurpose Investments, and (x) market price data sufficient to establish that the purchase price (disposition price) was not greater than (less than) the arm's-length price (see Section 4 below) on the date of acquisition

(2) The bid specifications include all terms of the bid that may directly or indirectly affect the yield or the cost of the investment;

(3) The bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the District or any other person (whether or not in connection with the bond issue), and that the bid is not being submitted solely as a courtesy to the District or any other person for purposes of satisfying these requirements;

(4) The terms of the bid specifications are such that there is a legitimate business purpose for each term other than to increase the purchase price or reduce the yield of the investment (e.g., for solicitations of Nonpurpose Investments for a yield restricted defeasance escrow, the hold firm period must be no longer than the District reasonably requires);

(5) For purchases of guaranteed investment contracts only, the terms of the solicitation take into account the District's reasonably expected deposit and draw down schedule for the amounts to be invested;

(6) All potential providers have an equal opportunity to bid (e.g., no potential provider is given the opportunity to review other bids before providing a bid); and

(7) At least three providers are solicited for bids that have an established industry reputation as a competitive provider of the type of investments being purchased.

(ii) The bids received by the District must meet all of the following requirements:

(1) The District receives at least three bids from providers that the District solicited under a Bona Fide Solicitation and that do not have a material financial interest in the issue. A lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the issue date of the issue. In addition, any entity acting as a financial advisor with respect to the purchase of the investment at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue. A provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

(disposition) or, if earlier, on the date of a binding contract to acquire (dispose of) such Nonpurpose Investment.

**SECTION 4. MARKET PRICE RULES.** Except as provided below, the District agrees to comply with the requirements relating to the "Fair Market Value" of acquired Nonpurpose Investments, as defined in Section 1.148-5(d) of the Regulations ("Fair Market Value"). All investments required to be made pursuant to these Covenants shall be made to the extent permitted by law. In this regard, the District agrees, among other things, that it will not acquire or cause to be acquired a Nonpurpose Investment (or any other investment acquired with Gross Proceeds or on deposit in the Rebate Account) for a price in excess of its Fair Market Value or sell any such investment at a price (determined without any reduction for transaction costs) less than its Fair Market Value, except as provided below. For this purpose, the following rules shall apply:

(a) Established securities markets. Except as otherwise provided below, any market especially established to provide a security or obligation to an issuer of municipal obligations shall not be treated as an established market and shall be rebuttably presumed to be acquired or disposed of for a price that is not its Fair Market Value.

(b) Arm's-length price. Any transaction in which a Nonpurpose Investment is directly purchased with Gross Proceeds, or in which a Nonpurpose Investment allocable to Gross Proceeds is disposed of, shall be undertaken in an arm's-length manner, and no amount shall be paid to reduce the yield on the Nonpurpose Investment.

(c) Safe harbor for establishing Fair Market Value for guaranteed investment contracts and Nonpurpose Investments purchased for a yield restricted defeasance escrow. In the case of a guaranteed investment contract or Nonpurpose Investments purchased for a yield restricted defeasance escrow, the purchase price shall not be considered to be an arm's-length price unless all the following conditions are met:

(i) The District makes a bona fide solicitation ("Bona Fide Solicitation") for the purchase of the investment that satisfies all of the following requirements:

(1) The bid specifications are in writing and are timely forwarded to potential providers;

(2) At least one of the three bids described in paragraph (c) (ii)(1) above is from a provider that has an established industry reputation as a competitive provider of the type of investments being purchased; and

(3) If the District uses an agent to conduct the bidding process, the agent did not bid to provide the investment.

(iii) The winning bid must meet the following requirements:

(1) Guaranteed investment contracts. If the investment is a guaranteed investment contract, the winning bid is the highest yielding bona fide bid (determined net of any broker's fees).

(2) Other Nonpurpose Investments. If the investment is not a guaranteed investment contract, the following requirements are met:

(A) The winning bid is the lowest cost bona fide bid (including any broker's fees). The lowest bid is either the lowest cost bid for the portfolio or, if the District compares the bids on an investment-by-investment basis, the aggregate cost of a portfolio comprised of the lowest cost bid for each investment. Any payment received by the District from a provider at the time a guaranteed investment contract is purchased (e.g., an escrow float contract) for a yield restricted defeasance escrow under a bidding procedure meeting these requirements is taken into account in determining the lowest cost bid.

(B) The lowest cost bona fide bid (including any broker's fees) is not greater than the cost of the most efficient portfolio comprised exclusively of State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt. The cost of the most efficient portfolio of State and Local Government Series Securities is to be determined at the time that bids are required to be submitted pursuant to the terms of the bid specifications. If such State and Local Government Series Securities are not available for purchase on the day that bids are required to be submitted because sales of those securities have been suspended, the cost comparison described in this paragraph is not required.

(iv) The provider of the investments or the obligor on the guaranteed investment contract certifies the administrative costs that it pays (or expects to pay) to third parties in connection with supplying the investment.

(d) The District shall retain certificates and records documenting compliance with the above requirements until three years after the last outstanding Bond is redeemed including, but not limited to, the following:

(i) For purchases of guaranteed investment contracts, a copy of the contract, and for purchases of Nonpurpose Investments other than guaranteed investment contracts, the purchase agreement or confirmation;

(ii) The receipt or other record of the amount actually paid by the District for the investments, including a record of any administrative costs paid by the District and the certification required in paragraph (c)(iv) above;

(iii) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results;

(iv) The bid solicitation form and, if the terms of the purchase agreement or the guaranteed investment contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation; and

(v) For purchase of Nonpurpose Investments other than guaranteed investment contracts, the cost of the most efficient portfolio of State and Local Government Series Securities, determined at the time that the bids were required to be submitted.

**SECTION 5. MODIFICATION UPON RECEIPT OF BOND COUNSEL OPINION.** Notwithstanding any provision of these Covenants, if the District shall receive an opinion of Bond Counsel that any specified action required under these Covenants is no longer required or that some further or different action is required to maintain or assure the exclusion from federal gross income of interest with respect to the Bonds, the District may conclusively rely on such opinion in complying with the requirements of these Covenants and the covenants herein shall be deemed to be modified to that extent. These Covenants shall be amended or modified by the parties hereto in any manner which is necessary to comply with such regulations as may be promulgated by the United States Treasury Department from time to time.

**SECTION 6. ACCOUNTING FOR GROSS PROCEEDS.** In order to perform the calculations required by the Code and the Regulations, it is necessary to track the investment and expenditure of all Gross Proceeds. To that end, the District must adopt reasonable and consistently applied

methods of accounting for all Gross Proceeds. Appendix I hereto sets forth a description of the required allocation and accounting rules with which the District agrees to comply.

**SECTION 7. ADMINISTRATIVE COSTS OF INVESTMENTS.** Except as otherwise provided in this Section 7, an allocation of Gross Proceeds to a payment or receipt on a Nonpurpose Investment is not adjusted to take into account any costs or expenses paid, directly or indirectly, to purchase, carry, sell or retire the Nonpurpose Investment (administrative costs). Thus, administrative costs generally do not increase the payments for, or reduce the receipts from, Nonpurpose Investments.

In determining payments and receipts on Nonpurpose Investments, Qualified Administrative Costs are taken into account by increasing payments for, or reducing the receipts from, the Nonpurpose Investments. Qualified Administrative Costs are reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions, but not legal and accounting fees, recordkeeping, custody and similar costs. General overhead costs and similar indirect costs of the District such as employee salaries and office expenses and costs associated with computing Rebutable Arbitrage are not Qualified Administrative Costs.

Allocation and accounting rules are provided in Appendix I attached hereto.

## APPENDIX I

### ALLOCATION AND ACCOUNTING RULES

(a) **General Rule.** Any issuer may use any reasonable, consistently applied accounting method to account for Gross Proceeds, investments and expenditures of an issue. An accounting method is "consistently applied" if it is applied uniformly within a Fiscal Period (as hereinafter defined) and between Fiscal Periods to account for Gross Proceeds of an issue and any amounts that are in a commingled fund.

(b) **Allocation of Gross Proceeds to an Issue.** Amounts are allocable to only one issue at a time as Gross Proceeds. Amounts cease to be allocated to an issue as Proceeds only when those amounts (i) are allocated to an expenditure for a governmental purpose; (ii) are allocated to Transferred Proceeds of another issue of obligations; or (iii) cease to be allocated to that issue at retirement of the issue or under the Universal Cap.

(c) **Allocation of Gross Proceeds to Investments.** Upon the purchase or sale of a Nonpurpose Investment, Gross Proceeds of an issue are not allocated to a payment for that Nonpurpose Investment in an amount greater than, or to a receipt from that Nonpurpose Investment in an amount less than, the Fair Market Value of the Nonpurpose Investment as of the purchase or sale date. The Fair Market Value of a Nonpurpose Investment is adjusted to take into account Qualified Administrative Costs allocable to the investment. Thus, Qualified Administrative Costs increase the payments for, or decrease the receipts from, a Nonpurpose Investment.

(d) **Allocation of Gross Proceeds to Expenditures.** Reasonable accounting methods for allocating funds from different sources to expenditures for the same governmental purpose include a "specific tracing" method, a "gross-proceeds-spent-first" method, a "first-in-first-out" method or a ratable allocation method, so long as the method used is consistently applied. An allocation of Gross Proceeds of an issue to an expenditure must involve a current outlay of cash for a governmental purpose of the issue. A current outlay of cash means an outlay reasonably expected to occur not later than five banking days after the date as of which the allocation of Gross Proceeds to the expenditure is made.

(e) **Commingled Funds.** Any fund or account that contains both Gross Proceeds of an issue and amounts in excess of \$25,000 that are not

Gross Proceeds of that issue if the amounts in the fund or account are invested and accounted for collectively, without regard to the source of the funds deposited therein, constitutes a "commingled fund." All payments and receipts (including deemed payments and receipts) on investments held by a commingled fund must be allocated (but not necessarily distributed) among each different source of funds invested in the commingled fund in accordance with a consistently applied, reasonable ratable allocation method. Reasonable ratable allocation methods include, without limitation, methods that allocate payments and receipts in proportion to either (i) the average daily balances of the amounts in the commingled fund from each different source of funds during any consistent time period within its fiscal year, but at least quarterly (the "Fiscal Period"); or (ii) the average of the beginning and ending balances of the amounts in the commingled fund from each different source of funds for a Fiscal Period that does not exceed one month.

Funds invested in the commingled fund may be allocated directly to expenditures for governmental purposes pursuant to a reasonable consistently applied accounting method. If a ratable allocation method is used to allocate expenditures from the commingled fund, the same ratable allocation method must be used to allocate payments and receipts on investments in the commingled fund.

Generally a commingled fund must treat all its investments as if sold at Fair Market Value either on the last day of the fiscal year or on the last day of each Fiscal Period. The net gains or losses from these deemed sales of investments must be allocated to each different source of funds invested in the commingled fund during the period since the last allocation. This mark-to-market requirement does not apply if (i) the remaining weighted average maturity of all investments held by a commingled fund during a particular fiscal year does not exceed 18 months, and the investments held by the commingled fund during that fiscal year consist exclusively of obligations; or (ii) the commingled fund operated exclusively as a reserve fund, sinking fund or replacement fund for two or more issues of the same issuer. Subject to the Universal Cap limitation, and the principle that amounts are allocable to only one issue at a time as Gross Proceeds, investments held by a commingled fund must be allocated ratably among the issues served by the commingled fund in proportion to either (i) the relative values of the bonds of those issues; (ii) the relative amounts of the remaining maximum annual debt service requirements on the outstanding principal amounts of those issues; or (iii) the relative original stated principal amounts of the outstanding issues.

(f) Universal Cap. Amounts that would otherwise be Gross Proceeds allocable to an issue are allocated (and remain allocated) to the issue only to the extent that the Value of the Nonpurpose Investments allocable to those Gross Proceeds does not exceed the Value of all outstanding bonds of the issue. Nonpurpose Investments allocated to Gross Proceeds in a bona fide debt service fund for an issue are not taken into account in determining the Value of the Nonpurpose Investments, and those Nonpurpose Investments remain allocated to the issue. To the extent that the Value of the Nonpurpose Investments allocable to the Gross Proceeds of an issue exceed the Value of all outstanding bonds of that issue, an issuer should seek the advice of Bond Counsel for the procedures necessary to comply with the Universal Cap.

(g) Expenditure for Working Capital Purposes. Subject to certain exceptions, the Proceeds of an issue may only be allocated to "working capital expenditures" as of any date to the extent that those expenditures exceed "available amounts" as of that date (i.e., "proceeds-spent-last").

For purposes of this section, "working capital expenditures" include all expenditures other than "capital expenditures." "Capital expenditures" are costs of a type properly chargeable (or chargeable upon proper election) to a capital account under general federal income tax principles. Such costs include, for example, costs incurred to acquire, construct or improve land, buildings and equipment having a reasonably expected useful life in excess of one year. Thus, working capital expenditures include, among other things, expenditures for current operating expenses and debt service.

For purposes of this section, "available amount" means any amount that is available to an issuer for working capital expenditure purposes of the type financed by the issue. Available amount excludes Proceeds of the issue but includes cash, investments and other amounts held in accounts or otherwise by an issuer for working capital expenditures of the type being financed by the issue without legislative or judicial action and without a legislative, judicial or contractual requirement that those amounts be reimbursed. Notwithstanding the preceding sentence, a "reasonable working capital reserve" is treated as unavailable. A working capital reserve is reasonable if it does not exceed five percent of the actual working capital expenditures of an issuer in the fiscal year before the year in which the determination of available amounts is made. For purpose of the preceding sentence only, in determining the working capital expenditures of an issuer for a prior fiscal year, any expenditures (whether capital or working capital

expenditures) that are paid out of current revenues may be treated as working capital expenditures.

The proceeds-spent-last requirement does not apply to expenditures to pay (i) any Qualified Administrative Costs; (ii) fees for qualified guarantees of the issue or payments for a qualified hedge for the issue; (iii) interest on the issue for a period commencing on the Issue Date and ending on the date that is the later of three years from the Issue Date or one year after the date on which the financed project is placed in service; (iv) the United States for yield reduction payments (including rebate payments) or penalties for the failure to meet the spend down requirements associated with certain spending exceptions to the rebate requirement; (v) costs, other than those described in (i) through (iv) above, that do not exceed five percent of the Sale Proceeds of an issue and that are directly related to capital expenditures financed by the issue (e.g., initial operating expenses for a new capital project); (vi) principal or interest on an issue paid from unexpected excess sale or Investment Proceeds; (vii) principal or interest on an issue paid from investment earnings on a reserve or replacement fund that are deposited in a bona fide debt service fund; and (viii) principal, interest or redemption premium on a prior issue and, for a crossover refunding issue, interest on that issue. Notwithstanding the preceding paragraph, the exceptions described above do not apply if the allocation merely substitutes Gross Proceeds for other amounts that would have been used to make those expenditures in a manner that gives rise to Replacement Proceeds.

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

**Appendix D**

**Form of Opinion of Bond Counsel**

[THIS PAGE INTENTIONALLY LEFT BLANK]

**FORM OF OPINION OF NABORS, GIBLIN & NICKERSON, P.A.,  
WITH RESPECT TO THE SERIES 2007 BONDS**

Upon delivery of the 2007 Bonds in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, proposes to render its opinion with respect to such 2007 Bonds in substantially the following form:

(Date of Closing)

Board of Supervisors  
Amelia Concourse Community  
Development District

Re: \$7,350,000 Amelia Concourse Community Development  
District Capital Improvement Revenue Bonds, Series 2007

We have served as bond counsel in connection with the issuance by Amelia Concourse Community Development District (the "District"), a community development district established and existing pursuant to Chapter 190, Florida Statutes, as amended (the "Act"), of its \$7,350,000 Capital Improvement Revenue Bonds, Series 2007 (the "2007 Bonds"). The 2007 Bonds are being issued under and pursuant to the Constitution and laws of the State of Florida, a Master Trust Indenture (the "Master Indenture"), dated as of July 1, 2007 and a First Supplemental Trust Indenture, dated as of July 1, 2007 (collectively, the Master Indenture as amended and supplemented by the First Supplemental Indenture is hereinafter referred to as the "Indenture"), each from the District to U.S. Bank National Association, Jacksonville, Florida, as trustee (the "Trustee") and resolutions adopted by the Board of Supervisors of the District on November 9, 2006 and May 10, 2007 (collectively, the "Bond Resolution"). The 2007 Bonds are issued for the purpose of (i) financing the Costs of acquiring, constructing and equipping assessable improvements (the "2007 Project"); (ii) paying certain interest to become due on the 2007 Bonds; (iii) paying certain costs associated with the issuance of the 2007 Bonds; and (iv) making a deposit into the 2007 Reserve Account of all of the 2007 Bonds. The 2007 Bonds are a portion of the Bonds validated by final judgment of the Circuit Court of Nassau County, Florida, rendered on April 30, 2007, the appeal period for which has expired

with no appeal having been taken. The 2007 Bonds are payable from and secured by Assessments (as defined in the Indenture) on property within the District specially benefited by the assessable improvements financed with the proceeds of the 2007 Bonds and also by the 2007 Pledged Revenues and 2007 Pledged Funds comprising the Series 2007 Trust Estate. We have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion. Unless the context indicates otherwise, all terms not otherwise defined herein shall have the meaning ascribed to such terms in the Indenture.

The 2007 Bonds recite that neither the 2007 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 the State of Florida. The 2007 Bonds and the interest and premium, if any, payable thereon do not constitute either a pledge of the full faith and credit of the District or a lien upon any property of the District other than as provided in the Indenture authorizing the issuance of the 2007 Bonds. No Owner or any other person shall ever have the right to compel the exercise of any ad valorem taxing power of the District or any other public authority or governmental body to pay debt service or to pay any other amounts required to be paid pursuant to the Indenture or the 2007 Bonds. Rather, debt service and any other amounts required to be paid pursuant to the Indenture or the 2007 Bonds, shall be payable solely from, and shall be secured solely by the 2007 Pledged Revenues, together with the 2007 Pledged Funds comprising the Series 2007 Trust Estate pledged to the 2007 Bonds, all as provided in the 2007 Bonds and in the Indenture.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

On the basis of our review, we are of the opinion that:

1. The District has been duly established and validly exists as a community development district under the Act.
2. The District has the right and power under the Act to authorize, execute and deliver the Indenture, and the Indenture has been duly and lawfully authorized, executed and delivered by the District, is in full force and effect and is valid and binding upon the District and enforceable in accordance with its terms. The Indenture creates the valid pledge which it purports to create of the Series 2007 Trust Estate, including the 2007 Assessments, in the manner and to the extent provided in the Indenture.

3. The 2007 Bonds are the valid, binding, special obligations of the District, enforceable in accordance with their terms and with the terms of the Indenture and are entitled to the benefits of the Indenture and the Act as amended to the date hereof, and the 2007 Bonds have been duly and validly authorized and issued in accordance with law and the Indenture.

4. The 2007 Bonds and interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

5. Under existing statutes, regulations, rulings and court decisions, the interest on the 2007 Bonds (a) is excluded from gross income for federal income tax purposes; and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to certain corporations, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in clause (a) above is subject to the condition that the Board comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the 2007 Bonds in order that interest thereon be (or continues to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the 2007 Bonds to be so included in gross income retroactive to the date of issuance of the 2007 Bonds. The District has covenanted to comply with all such requirements. Ownership of the 2007 Bonds may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding such federal tax consequences arising with respect to the 2007 Bonds.

The opinions expressed above as to enforceability may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

Except as may expressly be set forth in an opinion delivered by us to the underwriters of the 2007 Bonds on the date hereof (upon which only they may rely), (1) we have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Limited Offering Memorandum or other offering material relating to the 2007 Bonds and we express no opinion relating thereto, and (2) we have not been engaged or undertaken to review the compliance with laws of the State of Florida or the United States with regard to the sale or distribution of the 2007 Bonds and we express no opinion relating thereto.

We have examined the form of the 2007 Bonds and, in our opinion, the form of the 2007 Bonds is regular and proper.

Very truly yours,  
NABORS, GIBLIN & NICKERSON, P.A.

**Appendix E**

**Form of Continuing Disclosure Agreement**

[THIS PAGE INTENTIONALLY LEFT BLANK]

## **CONTINUING DISCLOSURE AGREEMENT**

**\$7,350,000,000**

### **Amelia Concourse Community Development District Capital Improvement Revenue Bonds, Series 2007**

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered as of July 1, 2007 by Amelia Concourse Community Development District (the “District”), Amelia Concourse Development LLC, a Florida limited liability company (the “Landowner”), and Governmental Management Services, LLC — North Florida, as dissemination agent (the “Disclosure Dissemination Agent” or “Agent”) in connection with the issuance by the District of its \$7,350,000,000 aggregate principal amount of Capital Improvement Revenue Bonds, Series 2007 (collectively, the “Bonds”). The Bonds are being issued pursuant to a Master Trust Indenture, dated as of July 1, 2007, as supplemented by a First Supplemental Trust Indenture, dated as of July 1, 2007 (collectively, the “Indenture”), each by and between the District and U.S. Bank National Association, as Trustee.

This Disclosure Agreement is being executed and delivered in order to comply with the requirements of Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934 (the “Rule”), and is for the benefit of the holders and Beneficial owners (as hereinafter defined) of the Bonds.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the rule or, to the extent not in conflict with the rule, in the official statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the Repositories.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the District for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the applicable Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice, as the case may be, delivered to the Disclosure

Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice, as the case may be, required to be submitted to the Repositories under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Representative” means (i) as to the District, the District Manager or its designee, or such other person as the District shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent; and (ii) as to the Landowner, such persons as the Landowner shall designate in writing to the Disclosure Dissemination Agent from time to time as the persons responsible for providing Information to the Disclosure Dissemination Agent.

“Disclosure Dissemination Agent” means Governmental Management Services, LLC, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the District, the Landowner pursuant to Section 9 hereof.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means the Annual Financial Information, the Audited Financial Statements (if any), the Notice Event notices, and the Voluntary Reports.

“Notice Event” means an event listed in Sections 4(a) of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“National Repository” means any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The list of National Repositories maintained by the United States Securities and Exchange Commission shall be conclusive for purposes of determining National Repositories. Currently, the following are National Repositories:

1. DPC Data Inc.  
One Executive Drive  
Fort Lee, New Jersey 07024  
(201) 346-0701 (phone)  
(201) 947-0107 (fax)  
Email: [nrmsir@dpcdata.com](mailto:nrmsir@dpcdata.com)

2. FT Interactive Data  
Attn: NRMSIR  
100 Williams Street  
New York, New York 10038  
(212) 771-6999 (phone)  
(212) 771-7390 (fax for secondary market information)  
(212) 771-7391 (fax for primary market information)  
Email: [NRMSIR@FTID.com](mailto:NRMSIR@FTID.com)
3. Bloomberg Municipal Repositories  
100 Business Park Drive  
Skillman, New Jersey 08558  
(609) 279-3225 (phone)  
(609) 279-5962 (fax)  
Email: [Munis@bloomberg.com](mailto:Munis@bloomberg.com)
4. Standard & Poor's J.J. Securities Evaluations, Inc.  
55 Water Street  
45th Floor  
New York, New York 10041  
(212) 438-4595 (phone)  
(212) 438-3975 (fax)  
Email: [nrmsir\\_repository@sandp.com](mailto:nrmsir_repository@sandp.com)

“Official Statement” means that Limited Offering Memorandum dated June 12, 2007 prepared in connection with the issuance of the Bonds.

“Repository” means the MSRB, each National Repository and the State Depository (if any).

“State Depository” means any public or private depository or entity designated by the State of Florida as a state information depository (if any) for the purpose of the Rule. The list of state information depositories maintained by the United States Securities and Exchange Commission shall be conclusive as to the existence of a State Depository.

“Voluntary Report” means the information provided to the Disclosure Dissemination Agent by the District pursuant to Section 8.

## SECTION 2. Provision of Annual Reports.

(a) The District shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, not later than 30 days before the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to each National Repository and the State Depository (if any) not later than 15 days after receipt of the Annual Report from the District. The Annual Filing Date is no later than 180 days following the end of the District's fiscal year (September 30 of each year), commencing September 30, 2007.

The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day before the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the District of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the District will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Notice Event as described in Section 4(a)(xii) has occurred and to immediately send a notice to each National Repository or the MSRB and the State Depository (if any) in substantially the form attached as Exhibit B.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 12:00 noon on the first business day following the Annual Filing Date for the Annual Report, a Notice Event described in Section 4(a)(xii) shall have occurred and the District irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to each National Repository or the MSRB and the State Depository (if any) in substantially the form attached as Exhibit B.

(d) If Audited Financial Statements of the District are prepared but not available prior to the Annual Filing Date, the District shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certificate, for filing with each National Repository and the State Depository (if any).

(e) The Disclosure Dissemination Agent shall:

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

(ii) upon receipt, promptly file each Annual Report received under Section 2(a) with each National Repository, and the State Depository, (if any);

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with each National Repository, and the State Depository (if any);

(iv) upon receipt of notice of a Notice Event, promptly file the text of each disclosure to be made with each National Repository or the MSRB and the State Depository (if any) together with a completed copy of the MSRB Material Event Notice Cover Sheet in the form attached as Exhibit C, describing the event by checking the appropriate boxes.

(v) provide the District evidence of the filings of each of the above when made, which shall be by means of the system utilized by Agent, for so long as Agent is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The District may adjust the Annual Filing Date upon a change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent and the Repositories, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

### SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the District, including:

- (1) the balances in the funds and accounts under the Indenture;
- (2) the assessed value of lands upon which the 2007 Special Assessments securing the Bonds are levied; provided, however, that the District may rely upon the records of the County Property Appraiser for such information;
- (3) the amount of 2007 Special Assessments certified by the District to the Tax Collector for the immediately preceding calendar year;
- (4) the amount of 2007 Special Assessments collected for the prior year;
- (5) the amount of delinquent 2007 Special Assessments;
- (6) the dollar amount of tax certificates sold;
- (7) the debt service schedule for the remaining term of the Bonds; and
- (8) an update of information contained in the Official Statement under the caption "THE 2007 PROJECT."

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principals ("GAAP"), as the same may be modified from time to time, as described in the Official Statement will be included in the Annual Report. However, if Audited Financial Statements are not available by the Annual Filing Date, unaudited financial statements, prepared in accordance with "GAAP" as the same may be modified from time to time, as described in the Official Statement will be included in the Annual Report. Audited Financial Statements will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the District is an "obligated person" (as defined by the Rule), which have been previously filed with each of the National Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The District will clearly identify each such document so incorporated by reference.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events, if material, with respect to the Bonds constitutes a Notice Event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (vii) Modifications to rights of Bond holders;
- (viii) Unscheduled Bond calls (other than pursuant to an extraordinary redemption under the terms of the Indenture);
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds;
- (xi) Rating changes on the Bonds;
- (xii) Failure to provide annual financial information as required;

The District shall, if the District has determined that knowledge of the occurrence of a Notice Event would be material under applicable federal securities laws, promptly notify the Disclosure Dissemination Agent in writing upon the occurrence of a Notice Event. Such notice shall be accompanied with the text of the disclosure that the District desires to make, the written authorization of the District for the Disclosure Dissemination Agent to disseminate such information, and the date the District desires for the Disclosure Dissemination Agent to disseminate the information. Notwithstanding the foregoing, notice of the occurrence of Notice Event described in clauses(viii) or (ix) need not be given any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Indenture.

(b) The Disclosure Dissemination Agent is under no obligation to notify the District or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within five business days of receipt of such notice, instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a

Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to Section 2(d) and subsection (c), together with the text of the disclosure that the District desires to make, the written authorization of the District for the Disclosure Dissemination Agent to disseminate such information, and the date the District desires for the Disclosure Dissemination Agent to disseminate the information.

(c) If the Disclosure Dissemination Agent has been instructed by the District as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the State Depository (if any) and (i) each National Repository, or (ii) the MSRB.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to annual reports, documents incorporated by reference to the annual reports, audited financial statements, notices of notice events, and voluntary reports filed pursuant to section 8(a), the District shall indicate the full name of the bonds and the 9-digit CUSIP numbers for the bonds as to which the provided information relates.

SECTION 6. Obligation to Provide Information.

(a) *Landowner Disclosure Obligation*. So long as the Landowner is the owner of real property subject to the levy of twenty percent (20%) or more of the 2007 Special Assessments, the Landowner shall provide the following information to the Dissemination Agent regarding the Development (as defined in the Offering Memorandum), and to any bondholder that requests such information in writing, no later than thirty (30) days after the end of each calendar quarter, and upon receipt thereof, the Dissemination Agent shall promptly provide such information to all of the National Repositories or the MSRB and to any State Repository:

(A) General Information.

- (i) The amount of funds that the Landowner has spent to date on completion of the infrastructure for the Development, including infrastructure financed with and without proceeds from the Bonds;
- (ii) Any changes or updates to the development plan for the Development, including, without limitation, the expected or actual number of units developed, unit and product mix, and square footage of commercial or retail property;
- (iii) The estimated date of completion of land development activities for the Development, including residential and non-residential components of the Development;
- (iv) The status of any development approvals for the Development;
- (v) Whether the Landowner has made any bulk sale of land within the Development, and to whom; and

- (vi) Material adverse changes or determinations to permits/approvals for the Development.

(B) Residential Property

- (i) The number of residential units planned for the Development which will be assessed to repay the Bonds;
- (ii) The number, dollar amount, and property type (e.g., developed lots, undeveloped pads, parcels, raw land) under contract with builders, and the name of each builder;
- (iii) The number, dollar amount, and property type (e.g., developed lots, undeveloped pads, parcels, raw land) closed with builders, and the name of each builder;
- (iv) The number of residential units constructed;
- (v) The number of residential units under construction;
- (vi) The number of residential units under contract with end users;
- (vii) The number of residential units sold to end users; and
- (viii) The estimated date of completion for all residential units expected to be constructed in the Development.

(b) *Assignment of Landowner's Disclosure Obligations.* If the Landowner sells, assigns or otherwise transfers ownership of real property in the Development to a third party, which will in turn own at least twenty percent (20%) of the real property within the Development subject to the levy of the 2007 Special Assessments, the Landowner shall require such third party to comply with the Landowner's disclosure obligations hereunder with respect to such acquired real property for so long as such third party is the owner of at least twenty percent (20%) of the real property within the Development subject to the levy of the 2007 Special Assessments.

SECTION 7. Additional Disclosure Obligations. The District and the Landowner each acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the District and the Landowner and that the failure of the Disclosure Dissemination Agent to so advise the District and the Landowner shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Agreement.

SECTION 8. Voluntary Reports.

(a) The District and the Landowner may instruct the Disclosure Dissemination Agent to file information with the Repositories, from time to time pursuant to a Certification of the Disclosure Representative accompanying such information (a "Voluntary Report").

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the District and the Landowner from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice, in addition to that required by this Disclosure Agreement. If any of the District or the Landowner chooses to include any information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement, neither the District nor the Landowner shall have any obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice.

SECTION 9. Termination of Reporting Obligation. The obligations of the District and the Landowner and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the District or the Landowner is not, or is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 10. Disclosure Dissemination Agent. The District has appointed Governmental Management Services, LLC — North Florida as Disclosure Dissemination Agent under this Disclosure Agreement. The District or Agent may, upon thirty days written notice to the other, terminate this Disclosure Agreement. Upon termination of Agent's services as Disclosure Dissemination Agent, whether by notice of the District or Agent, the District agrees to appoint a successor Disclosure Dissemination Agent or, alternatively, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the District shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent hereunder for prior work performed prior to such termination.

SECTION 11. Remedies in Event of Default. In the event of a failure of the District, the Landowner or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the bonds or under any other document relating to the bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 12. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the District and the Landowner have provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure

Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the District or the Landowner and shall not be deemed to be acting in any fiduciary capacity for the District, the Landowner, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the District's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the District or the Landowner has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the District and the Landowner at all times.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and neither of them shall incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

SECTION 13. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the District, the Landowner, and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the District and the Landowner (as to its obligations hereunder) and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the rule.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right, with the District's consent, which consent shall not be unreasonably withheld, 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 Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the District and the Landowner.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of the District or the Landowner contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the District or the Landowner in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation,

agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Sovereign Immunity. The Landowner and the Disclosure Dissemination Agent agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the District's limitations on liability contained in Section 768.28, Florida Statutes, or other statutes or law.

SECTION 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Landowner, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 18. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida.

SECTION 19. 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.

**[Remainder of Page Intentionally Left Blank]**

The Disclosure Dissemination Agent, the District, and the Landowner have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

GOVERNMENTAL MANAGEMENT SERVICES, LLC — North Florida, as Disclosure Dissemination Agent

AMELIA CONCOURSE COMMUNITY DEVELOPMENT DISTRICT, as District

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

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

AMELIA CONCOURSE DEVELOPMENT LLC, as Landowner

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

**EXHIBIT A**

**NAME AND CUSIP NUMBERS OF BONDS**

Name of Issuer: Amelia Concourse Community Development District

Obligated Person(s): Amelia Concourse Community Development District, Amelia Concourse Development LLC

Name of Bond Issue: Capital Improvement Revenue Bonds, Series 2007

Date of Issuance: \_\_\_\_\_ \_\_, 2007

Date of Limited Offering Memorandum: June \_\_, 2007

CUSIP Number:

**EXHIBIT B**

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT**

Issuer Amelia Concourse Community Development District  
Obligated Person(s): Amelia Concourse Community Development District, Amelia Concourse Development LLC  
Name of Bond Issue: Capital Improvement Revenue Bonds, Series 2007A  
Date of Issuance: July \_\_, 2007

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement, dated as of June \_\_, 2007, between the Issuer, and Governmental Management Services, LLC, as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

GOVERNMENTAL MANAGEMENT SERVICES, LLC — North Florida, as Disclosure Dissemination Agent, on behalf of the Issuer

---

cc: Issuer  
Obligated Person

**EXHIBIT C**

This cover sheet and material event notice should be sent to the Municipal Securities Rulemaking Board or to all Nationally Recognized Municipal Securities Information Repositories, and the State Information Depository, if applicable, pursuant to Securities and Exchange Commission Rule 15c2- 12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: \_\_\_\_\_

Issuer's Six-Digit CUSIP Number: \_\_\_\_\_

or Nine-Digit CUSIP Number(s) of the bonds to which this material event notice relates:

Number of pages of attached material event notice: \_\_\_\_\_

Description of Material Events Notice (Check One):

- 1.     \_\_\_ Principal and interest payment delinquencies
- 2.     \_\_\_ Non-Payment related defaults
- 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 or events affecting the tax-exempt status of the security
- 7.     \_\_\_ Modifications to rights of securities holders
- 8.     \_\_\_ Bond calls
- 9.     \_\_\_ Defeasances
- 10.    \_\_\_ Release, substitution, or sale of property securing repayment of the securities
- 11.    \_\_\_ Rating changes
- 12.    \_\_\_ Failure to provide annual financial information as required
- 13.    \_\_\_ Other material event notice (specify) \_\_\_\_\_

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature:

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

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

Employer: \_\_\_\_\_

Address:

City, State, Zip Code:

Voice Telephone Number:

**Please print the material event notice attached to this cover sheet in 10-point type or larger, The cover sheet and notice may be faxed to the MSRB at (703) 683-1930 or sent to CDINet, Municipal Securities Rulemaking Board, 1900 Duke Street, Suite 600, Alexandria, VA 22314. Contact the MSRB at (703) 797-6600 with questions regarding this form or the dissemination of this notice.**

[THIS PAGE INTENTIONALLY LEFT BLANK]



