



Rizzetta & Company

CFM Community Development District

**Board of Supervisors' Meeting
August 15, 2019**

**District Office:
9530 Marketplace Road, Suite 206
Fort Myers, Florida 33912
(239) 936-0913**

www.cfmccd.org

CFM
COMMUNITY DEVELOPMENT DISTRICT

Rizzetta & Company, Inc., 9530 Marketplace Road, Suite 206, Fort Myers, Florida 33912

| | | |
|-----------------------------|--|---|
| Board of Supervisors | Leah Popelka Scott Campbell Paul Mayotte Chip Jones Sue Streeter | Chairman Vice Chairman Assistant Secretary Assistant Secretary Board Supervisor |
| District Manager | Belinda Blandon | Rizzetta & Company, Inc. |
| District Counsel | Tucker Mackie | Hopping Green & Sams, P.A. |
| District Engineer | Brent Burford | Johnson Engineering, Inc. |

All cellular phones must be placed on mute while in the meeting room.

The Audience Comment portion of the agenda is where individuals may make comments on matters that concern the District. Individuals are limited to a total of three (3) minutes to make comments during this time.

Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting/hearing/workshop is asked to advise the District Office at least forty-eight (48) hours before the meeting/hearing/workshop by contacting the District Manager at (239) 936-0913. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) 1-800-955-8770 (Voice), who can aid you in contacting the District Office.

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

CFM COMMUNITY DEVELOPMENT DISTRICT
DISTRICT OFFICE • 9530 MARKETPLACE ROAD • SUITE 206 • FORT MYERS • FLORIDA • 33912

www.cfmccd.org

August 7, 2018

Board of Supervisors
**CFM Community
Development District**

AGENDA

Dear Board Members:

The regular meeting of the Board of Supervisors of the CFM Community Development District will be held on **Thursday, August 15, 2019 at 11:30 a.m.**, at the office of Rizzetta & Company, Inc., 9530 Marketplace Road, Suite 206, Fort Myers, Florida 33912. The following is the agenda for the meeting:

- 1. CALL TO ORDER/ROLL CALL**
- 2. PUBLIC COMMENT**
- 3. BUSINESS ADMINISTRATION**
 - A. Consideration of the Minutes of the Board of Supervisors' Meeting held on July 18, 2019 Tab 1
- 4. BUSINESS ITEMS**
 - A. Discussion and Consideration of Items Related to the Series 2004A Bond Trifurcation Tab 2
 1. Presentation of Terms
 2. Presentation of Trifurcation Reallocation Assessment Report (Under Separate Cover)
 3. Consideration of Resolution 2019-05 Approving the Trifurcation of the Series 2004A Bonds
 4. Consideration of Resolution 2019-09 Confirming, Allocating and Authorizing The Collection of Series 2004A Special Assessments Securing The Series 2004A-1/2 Bonds
 - B. Consideration of Rizzetta Technology Services Proposal for Professional Technology Services Tab 3
 - C. Public Hearings Regarding the Final Budget for Fiscal Year 2019/2020 and Fiscal Year 2019/2020 Operations and Maintenance Assessments Tab 4
 1. Presentation the Proposed Final Budget for Fiscal Year 2019/2020
 2. Consideration of Resolution 2019-06, Annual Appropriations and Adopting the Final Budget for Fiscal Year 2019/2020
 3. Consideration of Resolution 2019-07, Making a Determination of Benefit and Imposing Special Assessments for Fiscal Year 2019/2020; Providing for the Collection and Enforcement of Special Assessments; Certifying an Assessment Roll

- D. Consideration of Resolution 2019-08, Adopting a Meeting Schedule for Fiscal Year 2019/2020 Tab 5
- 5. **STAFF REPORTS**
 - A. District Counsel
 - B. District Engineer
 - C. District Manager
- 6. **SUPERVISOR REQUESTS AND COMMENTS**
- 7. **ADJOURNMENT**

We look forward to seeing you at the meeting. In the meantime, if you have any questions, please do not hesitate to call us at (239) 936-0913.

Very truly yours,

Belinda Blandon

Belinda Blandon
District Manager

cc: Tucker Mackie, Hopping Green & Sams, P.A.

TAB 1

MINUTES OF MEETING

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

CFM COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the CFM Community Development District was held on **Thursday, July 18, 2019 at 11:31 a.m.** at the office of Rizzetta & Company, Inc., located at 9530 Marketplace Road, Suite 206, Fort Myers, FL 33912.

Present and constituting a quorum:

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|-----------------|--|
| Leah Popelka | Board Supervisor, Chairperson |
| Scott Campbell | Board Supervisor, Vice Chairman |
| Paul Mayotte | Board Supervisor, Assistant Secretary |
| Chip Jones, Jr. | Board Supervisor, Assistant Secretary |
| Sue Streeter | Board Supervisor, Board Supervisor |

Also present were:

| | |
|------------------|---|
| Belinda Blandon | District Manager, Rizzetta & Company, Inc. |
| Scott Brizendine | Rizzetta & Company, Inc. (via speaker phone) |
| Tucker Mackie | District Counsel, Hopping Green & Sams, P.A. (via speaker phone) |
| Brent Burford | District Engineer, Johnson Engineering |
| Carl McCarthy | Greenberg Traurig (via speaker phone) |
| Courtney Wilson | Greenberg Traurig (via speaker phone) |
| Audience | |

FIRST ORDER OF BUSINESS

Call to Order

Ms. Blandon called the meeting to order and read the roll call.

SECOND ORDER OF BUSINESS

Public Comment

Ms. Blandon opened the floor for public comment.

Mr. Streeter addressed the Board regarding non-residents accessing the community and the streets being public. Ms. Mackie advised that the streets were financed through Bond funds, are owned by the CDD, and therefore are public roads. Ms. Popelka suggested installation of security cameras in order to make residents feel more secure. Ms. Mackie advised that the guardhouse may ask for identifying information and ask where the visitor is going but the visitor does not have to provide the information. Discussion ensued. Ms. Blandon suggested having the HOA send a communication to

49 the homeowners regarding suspicious activity and advising that residents should contact
50 the proper authorities. Mr. Mayotte recommended sending a communication to DR Horton
51 clarifying that the roads are public and the gates are soft. Mr. Jones, Jr. recommended
52 that the letter come from the CDD and be sent to DR Horton with a carbon copy to Chris
53 Quarles.

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55 Ms. Blandon recommended moving item 4F to be discussed next. Ms. Mackie and the
56 Board concurred.

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58 **THIRD ORDER OF BUSINESS** **Discussion Relating to Proposed**
59 **Trifurcation of CFM Community**
60 **Development District Capital**
61 **Improvement Revenue Bonds, Series**
62 **2004A**
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64 Ms. Mackie introduced Mr. Carl McCarthy and Ms. Courtney Wilson of Greenberg
65 Traurig and advised that Greenberg Traurig is a representative of the Trustee and are
66 reviewing the District's outstanding defaulted bonds and are proposing a trifurcation of
67 the outstanding bonds in order to set up three sets of bonds. She advised that Greenberg
68 Traurig is not asking for any action today but are on the line to answer any questions that
69 the Board may have. Mr. McCarthy introduced himself and advised that his firm
70 represents the bond trustee and advised that this is a part of the process that has been
71 going on for a number of years to restructure the bonds of the district into three bonds:
72 2004A impaired, 2004A-1 promising, and 2004A-2 performing. He reviewed the handout
73 that was provided to the Board. Mr. Campbell asked for clarification that the process will
74 not result in any changes to the existing residents' current situation and bond payments.
75 Mr. McCarthy confirmed. Ms. Popelka provided an overview of the transaction and
76 process. Discussion ensued.

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78 **FOURTH ORDER OF BUSINESS** **Consideration of the Minutes of the**
79 **Board of Supervisors' Meeting held on**
80 **May 16, 2019**
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82 Ms. Blandon presented the Minutes of the Board of Supervisors' meeting held on
83 May 16, 2019. She asked if there were any questions related to the minutes. There were
84 none.
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On a Motion by Mr. Jones, Jr., seconded by Mr. Mayotte, with all in favor, the Board Approved the Minutes of the Board of Supervisors' Meeting held on May 16, 2019, for the CFM Community Development District.

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87 **FIFTH ORDER OF BUSINESS** **Consideration of the Operations and**
88 **Maintenance Expenditures for the**
89 **Months of April, May, and June 2019**
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91 Ms. Blandon provided an overview of the expenditures paid for the period of April

92 1-30, 2019 which totaled \$14,491.89, the period of May 1-31, 2019 which totaled
93 \$58,972.73, and the period of June 1-30, 2019 which totaled \$26,577.62. She asked if
94 there were any questions related to any item of expenditure. Discussion ensued regarding
95 various invoices.
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On a Motion by Ms. Popelka, seconded by Mr. Campbell, with all in favor, the Board Approved the Operations and Maintenance Expenditures for the Months of April 2019 (\$14,491.89), May 2019 (\$58,972.73, and June 2019 (\$26,577.62), for the CFM Community Development District.

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98 **SIXTH ORDER OF BUSINESS**

**Review and Acceptance of Arbitrage
Rebate Calculations, Series 2004A &
2004B, for Period Ended April 30, 2019**

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Ms. Blandon advised that as of April 30, 2019 there was no arbitrage liability related to the Series 2004A and 2004B bonds. She asked if there were any questions. There were none.

On a Motion by Ms. Streeter, seconded by Mr. Jones, Jr., with all in favor, the Board Accepted the Arbitrage Rebate Calculations, Series 2004A and 2004B, for Period Ended April 30, 2019, for the CFM Community Development District.

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107 **SEVENTH ORDER OF BUSINESS**

**Consideration of Landscape
Recommendations**

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Ms. Blandon reviewed the email received from Ms. Southwick of Magnolia Landing regarding several areas that are in need of attention. She recommended that the Board table this item in order to provide time to have the proposals consolidated. The Board concurred.

115 **EIGHTH ORDER OF BUSINESS**

**Consideration of Renewal of Aquatic
Maintenance Contract with Solitude**

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Ms. Blandon provided an overview of the renewal for lake maintenance, including the addition of three new lakes, as received from Solitude Lake Management, in the amount of \$27,336.00 per year. She advised that the renewal is included in the budget for fiscal year 2019/2020. Discussion ensued regarding the fountains installed by DR Horton that have not yet been turned over to the CDD.

On a Motion by Mr. Mayotte, seconded by Mr. Campbell, with all in favor, the Board Approved the Contract Renewal with Solitude Lake Management, for Aquatic Maintenance, in the Amount of \$27,336.00, Subject to Review and Preparation of an Agreement by Counsel, for the CFM Community Development District.

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125 **NINTH ORDER OF BUSINESS**

**Consideration of Proposals for ADA
Website Compliance**

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Ms. Blandon distributed a summary comparison of the proposals received from ADA Site Compliance, Campus Suite, and V Global Tech. She advised that Egis has recommended the three companies that have provided proposals and Egis has set an October 1st deadline to have something in place in order to be covered in the event of a claim. Ms. Mackie provided an overview of the requirements related to ADA websites and advised that the WCAG 2.0 standards are the minimum standards to be met. Ms. Blandon advised that the company selected by the Board will host and backup the website; she reviewed in detail the proposals. Ms. Mackie responded to questions from the Board.

On a Motion by Ms. Popelka, seconded by Ms. Streeter, with all in favor, the Board Approved the Proposal from ADA Site Compliance, for ADA Website Compliance and Ongoing Maintenance, Subject to Preparation of an Agreement by Counsel, for the CFM Community Development District.

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138 **TENTH ORDER OF BUSINESS**

**Discussion Regarding DR Horton
Reimbursement of Roadway Repairs**

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Ms. Blandon advised that a check for roadway repair reimbursement was received from DR Horton in the amount of \$18,900.00 and not the full amount of \$21,500.00. She advised that the amount received was different from the amount approved by the Board. Mr. Campbell advised that he had a discussion with DR Horton and they have reimbursed is based on the invoices from PMI. Discussion ensued. Ms. Mackie advised that the total cost to the District was \$33,812.00 and the Board had approved a settlement of \$21,500.00. Mr. Jones, Jr. asked that Mr. Campbell reach out to DR Horton again in order to attempt to collect the difference. Mr. Campbell advised that he will work with Ms. Blandon to obtain back up to then present to DR Horton in order to attempt to collect the difference between the approved amount of \$21,500.00 and the amount previously paid of \$18,900.00.

153 **ELEVENTH ORDER OF BUSINESS**

Staff Reports

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- A. District Counsel
Ms. Mackie advised that she had no report but would be happy to answer any questions. There were no questions for Ms. Mackie.
- B. District Engineer
Mr. Burford advised that regarding the entrance lighting; he has emails and calls into LCEC to get an update. He advised that regarding the second lift asphalt he is awaiting a return call from Mr. Quarles. Mr. Burford advised that related to the non-compliance of the mitigation project, he has been working with Earth Tech and to remove the remaining material that was supposed to be taken out originally, the price is in excess of \$400,00.00 and could be well in excess. He advised that the original mitigation plan allowed for material to be killed in place and in 2007 the SFWMD rules changed and

168 the materials have to come out in order to get the exotic vegetation down to
169 less than five percent and so the stuff that was killed needs to be removed.
170 Mr. Jones, Jr. inquired as to burying the exotic plant materials as the District
171 cannot afford the costs for removal. Mr. Burford advised the he is obtaining
172 additional pricing. Mr. Burford advised the will also look into phasing the
173 removal of the exotic vegetation and other options available to the District.
174

175 C. District Manager

176 Ms. Blandon advised the next meeting of the Board of Supervisors is
177 scheduled for Thursday, August 15, 2019 at 11:30 a.m.
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179 Mr. Campbell inquired regarding landscape improvements at the entry
180 features as requested by DR Horton. Ms. Blandon advised that she will
181 review the proposals from Ms. Southwick.
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183 Ms. Streeter inquired regarding the removal of the dead grasses along
184 Magnolia Landing. She asked that Ms. Blandon reach out to Ms. Southwick
185 for removal.
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187 **TWELFTH ORDER OF BUSINESS**

Supervisor Requests

188 Ms. Blandon opened the floor for Supervisor requests and comments.
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191 Ms. Blandon opened the floor to Audience requests and comments. There were
192 none.
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194 **THIRTEENTH ORDER OF BUSINESS**

Adjournment

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196 Ms. Blandon advised there is no further business to come before the Board and
197 asked for a motion to adjourn.
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On a Motion by Mr. Jones, Jr., seconded by Mr. Campbell, with all in favor, the Board adjourned the meeting at 12:38 p.m., for the CFM Community Development District.

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Secretary/Assistant Secretary

Chairman/Vice Chairman

TAB 2

BOND TRIFURCATION TERMS

**CFM Community Development District
(Lee County, Florida)**

Date: August 20, 2019

STEP 1: BIFURCATION OF

**\$17,885,000
CFM Community Development District
Capital Improvement Revenue Bonds, Series 2004A
(the "Original Series 2004A Bonds")**

INTO

**\$1,985,000
CFM Community Development District
Capital Improvement Revenue Bonds, Series 2004A
(the "Unexchanged Series 2004A Bonds")**

**\$15,900,000
CFM Community Development District
Capital Improvement Revenue Bonds, Series 2004A
(the "Exchanged Series 2004A Bonds")**

AND

STEP 2: EXCHANGE OF THE EXCHANGED SERIES 2004A BONDS FOR

**\$7,612,827
Initial Principal Amount of
CFM Community Development District
Capital Improvement Revenue Bonds,
Series 2004A-1
(Convertible Capital Appreciation Bonds)
(the "Series 2004A-1 Bonds")**

**\$8,285,000
CFM Community Development District
Capital Improvement Revenue Bonds,
Series 2004A-2
(the "Series 2004A-2 Bonds")**

(TOGETHER, THE "TRIFURCATION")

District: CFM Community Development District (the "District")

SPE: Maxcy Development Group Holdings-CFM, Inc. (the "SPE")

Trustee: U.S. Bank National Association, as successor trustee to Wachovia Bank, National Association (the "Trustee")

Date of Trifurcation: August 20, 2019

**Outstanding Series 2004A
Bonds:**

\$17,885,000 in outstanding principal amount of the Original Series 2004A Bonds (currently bearing interest at 6.250%, maturing May 1, 2035).

The Outstanding Series 2004A Bonds are secured by special assessments (the "Series 2004A Assessments") levied on all lands of the Series 2004 Project pursuant to the Final Special Assessment Methodology Report for the Capital Improvement Revenue Bonds, Series 2004A and Capital Improvement Revenue Bonds, Series 2004B dated May 20, 2004, prepared by Special District Services, Inc., as amended (the "Series 2004A Assessment Methodology Report"), under that certain Master Trust Indenture dated as of July 1, 2003, as amended by that First Amendment to Master Trust Indenture dated as of May 1, 2019 (as so amended, the "Master Indenture"), as supplemented by that certain Second Supplemental Trust Indenture dated as of May 1, 2004, as amended by that First Amendment to Second Supplemental Trust Indenture dated as of May 1, 2009, and that Second Amendment to Second Supplemental Trust Indenture dated as of May 1, 2019 (as so amended, the "Original Second Supplemental Indenture" and, together with the Master Indenture, the "Original Indenture"), each by and between the District and the Trustee. The District's Capital Improvement Revenue Bonds, Series 2004B were redeemed in full during fiscal year 2008.

2004A Trifurcation:

The Series 2004A Bonds will be trifurcated into the following (the "Trifurcation"):

- (i) \$1,985,000 of the District's Capital Improvement Revenue Bonds, Series 2004A (the "Unexchanged Series 2004A Bonds");
- (ii) \$7,612,827 initial principal amount/\$8,195,000 fully accreted value of the District's Capital Improvement Revenue Bonds, Series 2004A-1 (Convertible Capital Appreciation Bonds)(the "Series 2004A-1 Bonds"); and
- (iii) \$8,285,000 of the District's Capital Improvement Revenue Bonds, Series 2004A-2 (the "Series 2004A-2 Bonds" and, together with the Series 2004A-1 Bonds, the "Exchanged Series 2004A Bonds" or the "Series 2004A-1/2 Bonds").

The sole holder of the Original Series 2004A Bonds will be the sole holder of the Exchanged Series 2004A Bonds and the Unexchanged Series 2004A Bonds.

Security for Unexchanged Series 2004A Bonds:

Payment of the debt service on the Unexchanged Series 2004A Bonds will be secured solely by true-up payments due on Parcel A and Parcel J in accordance with that certain Land Purchase Contract dated July 27, 2016 (the "Parcels A&J True-Up Payments") as described in Schedule I attached hereto. The Unexchanged Series 2004A Bonds are expected to remain in payment default. The Original Indenture will be amended with respect to the Unexchanged Series 2004A Bonds to reflect the payment source from the Parcels A&J True-Up Payments, which will be applied to debt service quarterly rather than semi-annually and will be applied in accordance with the default payment waterfall in Section 905 of the Master Indenture.

Security for Exchange Series 2004A Bonds:

The Exchanged Series 2004A Bonds will be secured under the Master Indenture as supplemented by that certain Third Supplemental Trust Indenture (the "Third Supplemental Indenture" and, together with the Master Indenture, the "Series 2004A-1/2 Indenture") dated as of August 1, 2019, by and between the District and the Trustee.

There will be separate trust estates securing the Series 2004A-1 Bonds and the Series 2004A-2 Bonds. The Series 2004A-1 Bonds will be secured by the Series 2004A Special

Assessments (the "Series 2004A-1 Special Assessments") levied on all remaining parcels owned by the SPE (the "Final Parcels") and certain real estate revenue, a portion of which is expected to be comprised of proceeds from the sale of the Final Parcels, if a sale occurs (the "Final Parcels Sale Proceeds") securing the Series 2004A-1 Bonds as described in Schedule I attached hereto and pursuant to the Series 2004A Assessment Methodology Report. The Series 2004A-2 Bonds will be secured by the Series 2004A Special Assessments levied on benefited lots sold to builders, end-users and other landowners that are unaffiliated with the SPE, *other than* the Final Parcels (the "Performing Assets") as described in Schedule I attached hereto (the "Series 2004A-2 Special Assessments") and pursuant to the Series 2004A Assessment Methodology Report, and by the forbearance termination payment payable on November 1, 2019 pursuant to that certain forbearance agreement dated as of November 3, 2017. In connection with the Trifurcation, the Series 2004A Assessment Methodology Report will be supplemented by the report of Rizzetta & Co., assessment consultants, setting forth the allocation of the Series 2004A Special Assessments into Series 2004A-1 Special Assessments and Series 2004A-2 Special Assessments by lot and parcel (the "Trifurcation Assessment Report")

Annual installment payments of the Series 2004A-1 Special Assessments become due upon the earlier to occur of (i) the sale date of the Final Parcels to a third party or (ii) November 1, 2020.

Convertible Capital Appreciation Bonds

The Series 2004A-1 Bonds will be issued at an initial principal amount reflecting a discount from the stated Accreted Value, as convertible capital appreciation bonds, and convert to current interest bonds on November 1, 2020 (hereinafter referred to as the "Conversion Date").

As the Series 2004A-1 Bonds (only) are capital appreciation bonds, there will be no scheduled debt service payments from the Series 2004A-1 Bonds until the conversion from capital appreciation bonds to current interest bonds on the Conversion Date. Prior to the Conversion Date, the Series 2004A-1 Bonds will bear interest that will accrete and be compounded on the initial principal amount on each May 1 and November 1, commencing on the closing date of the Trifurcation. From and after the Conversion Date, the Series 2004A-1 Bonds will bear interest on a principal amount equal to the Accreted Value, less redemptions.

**Fund Balances for
Unexchanged Series 2004A
Bonds:**

As a result of the transfers described in the next section, there will be no fund balances securing the Unexchanged Series 2004A Bonds subsequent to the Trifurcation. See Schedule II attached hereto for a description of the Outstanding balances in the Funds and Accounts related to the Unexchanged Series 2004A Bonds.

**Fund Balances for
Exchanged Series 2004A
Bonds:**

In connection with the Trifurcation, \$161,602.02 in aggregate amount will be transferred from the Funds and Accounts held under the Original Indenture to the Funds and Accounts established under the Third Supplemental Indenture to secure the Series 2004A-2 Bonds. See Schedule II attached hereto.

**Debt Service Reserve
Requirements:**

Unexchanged Series 2004A Bonds: The Unexchanged Series 2004A Bonds will no longer have a Reserve Account Requirement.

Series 2004A-1 Bonds: The Series 2004A-1 Bonds will not have a Reserve Account Requirement.

Series 2004A-2 Bonds: The Reserve Account Requirement of the Series 2004A-2 Bonds will be [[\$410,859], held on reserve in the Series 2004A-2 Reserve Account, using funds [from external sources]]. See Schedule II attached hereto.

Tax Exemption:

A tax opinion will be required opining that the interest component of the Exchanged Series 2004A Bonds is excludable from gross income for federal income tax purposes.

SCHEDULE I

**DESCRIPTION OF PAYMENTS SECURING THE UNEXCHANGED SERIES 2004A
BONDS**

Refer to Table [] of the Trifurcation Assessment Report.

DESCRIPTION OF ASSESSMENTS SECURING THE SERIES 2004A-1 BONDS

Refer to [Table 4] of the Trifurcation Assessment Report for the Tax Roll of Parcels and Lots subject to the Series 2004A-1 Special Assessments.

]

DESCRIPTION OF ASSESSMENTS SECURING THE SERIES 2004A-2 BONDS

Refer to [Table 7] of the Trifurcation Assessment Report for the Tax Roll of Parcels and Lots subject to the Series 2004A-2 Special Assessments.

SCHEDULE II

Trust Estate Funds and Accounts

| | <u>2004A</u> |
|-----------------------------|-----------------------------------|
| 2004 Revenue Account | \$125,124.26 |
| 2004A Interest Account | 0.15 |
| 2004A Reserve Account | 32,987.62 |
| 2004A Prepayment Subaccount | 3,489.99 |
| Total | <u>\$161,602.02⁽⁺⁾</u> |

* As of July 17, 2019

⁽⁺⁾ Totals may not add due to rounding.

RESOLUTION 2019-05

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE CFM COMMUNITY DEVELOPMENT DISTRICT APPROVING THE (1) BIFURCATION OF THE CFM COMMUNITY DEVELOPMENT DISTRICT'S OUTSTANDING CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2004A INTO (I) THE UNEXCHANGED CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2004A, AND (II) THE EXCHANGED CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2004A, AND THE (2) EXCHANGE OF THE EXCHANGED SERIES 2004A BONDS INTO (I) CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2004A-1 (CONVERTIBLE CAPITAL APPRECIATION BONDS) AND (II) CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2004A-2 (SUCH BIFURCATION AND EXCHANGE COLLECTIVELY, THE "TRIFURCATION") AND SETTING FORTH THE TERMS THEREOF; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A THIRD AMENDMENT TO SECOND SUPPLEMENTAL TRUST INDENTURE RELATING TO THE UNEXCHANGED CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2004A; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A THIRD SUPPLEMENTAL TRUST INDENTURE RELATING TO THE CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2004A-1 (CONVERTIBLE CAPITAL APPRECIATION BONDS) AND THE CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2004A-2; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INFORMATION MEMORANDUM RELATING TO THE TRIFURCATION; AUTHORIZING THE ACKNOWLEDGMENT OF CONTINUING DISCLOSURE AGREEMENT; APPROVING AND CONFIRMING THE TRIFURCATION ASSESSMENT REPORT; AUTHORIZING THE PROPER OFFICIALS TO EXECUTE ALL DOCUMENTS AND TAKE ALL ACTIONS DEEMED NECESSARY IN CONNECTION WITH THE TRIFURCATION CONTEMPLATED HEREIN, AND RATIFYING PRIOR OR SUBSEQUENT ACTS; AND PROVIDING FOR CONFLICTS, SEVERABILITY AND AN EFFECTIVE DATE AND FOR CERTAIN OTHER MATTERS.

WHEREAS, the CFM Community Development District (the "District") was established in accordance with the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (the "Act") by Ordinance No. 02-01 duly enacted by the Board of County Commissioners of Lee County, Florida, on January 8, 2002, which became effective on January 8, 2002, and the District is validly existing under the Constitution and laws of the State of Florida; and

WHEREAS, the District comprises approximately 980.96 gross acres (the "District Lands"); and

WHEREAS, pursuant to Resolution No. 2002-02, adopted by the Board of Supervisors of the District (the "Board") on April 4, 2002, the District authorized the issuance, sale and delivery of not to exceed \$64,250,000 in aggregate principal amount of its CFM Community Development District Capital Improvement Revenue Bonds (the "Bonds"), issuable in one or more Series as authorized under the Master Indenture (defined herein); and

WHEREAS, the District has entered into a Master Trust Indenture dated as of July 1, 2003 (the "Master Indenture"), with U.S. Bank, National Association, as successor trustee to Wachovia Bank, National Association (the "Trustee") to secure the issuance from time to time of the Bonds; and

WHEREAS, the District, among other matters, authorized the issuance of its not exceeding \$32,000,000 Capital Improvement Revenue Bonds, Series 2004A (the "Original Series 2004A Bonds") and its not exceeding \$17,000,000 Capital Improvement Revenue Bonds, Series 2004B (the "Series 2004B Bonds" and, together with the Original Series 2004A Bonds, the "Original Series 2004 Bonds") pursuant to the Master Indenture, as supplemented; and

WHEREAS, the Series 2004B Bonds were redeemed in full during fiscal year 2008; and

WHEREAS, the Original Series 2004A Bonds were issued pursuant to the Master Indenture, as amended and supplemented by that certain Second Supplemental Trust Indenture dated as of May 1, 2004, as amended by that certain First Amendment to Second Supplemental Trust Indenture dated as of May 1, 2009, and that certain Second Amendment to Second Supplemental Trust Indenture dated as of May 1, 2019 (collectively, the "Second Supplemental Indenture" and, together with the Master Indenture, the "Original Indenture") each by and between the District and the Trustee;

WHEREAS, the Original Series 2004 Bonds were issued in part to finance certain master infrastructure and improvements on District lands (the "Series 2004 Project"); and

WHEREAS, the Original Series 2004A Bonds were validated by final judgment of the Twentieth Judicial Circuit Court in and for Lee County, Florida, on May 13, 2002, and the appeal period from such final judgment has expired with no appeal being taken; and

WHEREAS, pursuant to the Act, Chapter 170, *Florida Statutes*, and Resolution Nos. 2002-04, 2002-05, 2002-06, 2003-03, 2003-04, 2004-04, 2013-05, 2013-06 and 2013-11, the District levied and imposed certain non-ad valorem special assessments (the "Series 2004A Special Assessments") on certain developable real property on benefitted land within the District that would specially benefit from the facilities and services provided by the Series 2004 Project; and

WHEREAS, the Series 2004A Special Assessments are the primary source of payment for the Original Series 2004A Bonds and are assessed pursuant to the methodology described in the Preliminary Special Assessment Methodology Report, dated as of April 1, 2002, as amended by the Supplemental Special Assessment Methodology Report, dated July 27, 2003, the Final Special Assessment Methodology Report, dated May 20, 2004, and the First Supplement to May 20, 2004

Final Special Assessment Methodology Report, dated August 20, 2009, prepared by Rizzetta & Company, Inc. (collectively, the "Series 2004A Assessment Methodology Report"); and

WHEREAS, since the issuance of the Original Series 2004A Bonds, the principal owner and developer of lands within the District (the "Delinquent Landowner") failed to pay the Series 2004A Special Assessments levied against the lands owned by the Delinquent Landowner within the District that were due and owing; and

WHEREAS, the Trustee, at the direction of the beneficial owner of the Original Series 2004A Bonds (the "Bondholder") created Maxcy Development Group Holdings-CFM, Inc. (the "SPE") to take title to a portion of the lands owned by the Delinquent Landowner (the "Delinquent Lands"); and

WHEREAS, on February 24, 2011, the District entered into a Forbearance and Modification Agreement (the "Modification Agreement") with Windham/Magnolia Landing, L.L.C., (the "Developer"), the SPE and the Trustee in order to modify the lots and amounts securing and available to pay the Original Series 2004A Bonds. Special tax counsel advised that the execution and delivery of the Modification Agreement by the parties thereto resulted in a reissuance of the Original Series 2004A because the yield on the Original Series 2004A changed more than 0.25 percent as a result of the modification. The creation of the SPE and the execution and delivery of the Modification Agreement facilitated a repositioning of the portions of the District with delinquent Series 2004A Special Assessments for the benefit of the Bondholder pursuant to a Transfer and Transition Agreement dated April 18, 2013, between the District, Trustee, SPE and the Delinquent Landowner; and

WHEREAS, certain portions of the Delinquent Lands designated parcel A ("Parcel A") and parcel J ("Parcel J") were sold to D.R. Horton, Inc. ("Horton") pursuant to that certain Land Purchase Contract dated as of July 27, 2016, between Horton and the SPE (as amended from time to time, the "Land Sale Agreement"); and

WHEREAS, the Land Sale Agreement requires Horton to make certain true-up payments to be made to the SPE upon the sale of homes in Parcel A and Parcel J respectively, as follows: (A) ten percent (10%) of sale proceeds above \$225,000 for sales of homes located in Parcel A, and (B) ten percent (10%) of sale proceeds above \$300,000 for sales of homes located in Parcel J (collectively, the "Parcels A&J True-Up Payments"); and

WHEREAS, in connection with the Land Sale Agreement, entered into a forbearance agreement with the District and the Trustee dated as of November 3, 2017 (the "Forbearance Agreement") relating to the Series 2004A Special Assessments that burdened Parcel A and Parcel J; and

WHEREAS, the Forbearance Agreement requires Horton to pay a termination fee of \$703,989.72 on November 1, 2019 (the "Forbearance Termination Payment"); and

WHEREAS, the SPE continues to hold Delinquent Lands for which the Series 2004A Special Assessments remain delinquent (the "Final Parcels"); and

WHEREAS, the Final Parcels are expected to be sold and transferred to a buyer in consideration of such buyer's payment of sale proceeds to the SPE (the "Final Parcels Sale Proceeds"); and

WHEREAS, the District now seeks to restructure the Original Series 2004A Bonds by bifurcating as follows: the Original Series 2004A Bonds into the (A) Unexchanged Series 2004A Bonds (as defined herein), and the (B) Exchanged Series 2004A Bonds (as defined herein), and then the exchange of the Exchanged Series 2004A Bonds into (i) the Series 2004A-1 Bonds (as defined herein) and (ii) the Series 2004A-2 Bonds (as defined herein) under the terms and conditions agreed to by the District, the SPE, the Trustee, and the Bondholder (collectively, hereinafter referred to as the "Trifurcation"); and

WHEREAS, the District has determined that it is in its best interest to facilitate and execute the Trifurcation and to properly align the lands within the District with the separate Series of the Series 2004A-1/2 Bonds (as defined herein) as set forth in the Trifurcation Reallocation Assessment Report for CFM Community Development District to be dated [August 20, 2019] by Rizzetta & Company, Inc. attached hereto in substantially final form as **Exhibit D** (the "Trifurcation Assessment Report"); and

WHEREAS, the District has determined that the Trifurcation will, among other things, provide the opportunity for the orderly and continued development of the remaining developable land within the District; and

WHEREAS, in consideration of the foregoing, the District has resolved to facilitate and execute all documents necessary to carry out the Trifurcation; and

WHEREAS, in furtherance of the Trifurcation, the SPE, the District, and the Trustee, at the direction and with the consent of the Bondholder, have agreed to the Trifurcation; and

WHEREAS, there has been submitted to the Board at this meeting, with respect to the Trifurcation, the following documents:

(i) a form of the Third Supplemental Trust Indenture (the "Third Supplemental Indenture" and, together with the Master Indenture, the "Series 2004A-1/2 Indenture") relating to the Series 2004A-1/2 Bonds attached hereto as **Exhibit A**, by and between the District and the Trustee; and

(ii) a form of the Third Amendment to Second Supplemental Trust Indenture (the "Amendment") relating to the Unexchanged Series 2004A Bonds attached hereto as **Exhibit B**, by and between the District and the Trustee; and

(iii) a form of Information Memorandum to be issued in connection the Trifurcation and attached hereto as **Exhibit C**; and

(iv) a form of Trifurcation Assessment Report attached hereto as **Exhibit D**; and

WHEREAS, capitalized terms used herein and not otherwise expressly defined herein shall have the meanings ascribed thereto in the Third Supplemental Indenture; and

WHEREAS, the District desires to authorize the actions necessary to accomplish the foregoing, including authorizing and approving various instruments to be executed and delivered in connection therewith; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of CFM Community Development District, as follows:

Section 1. Incorporation of Recitals. All of the above representations, findings and determinations contained above are recognized as true and accurate and are expressly incorporated into this Resolution.

Section 2. Terms. All capitalized terms which are not otherwise defined herein shall have the meaning defined in the Third Supplemental Indenture.

Section 3. Authorization of the Trifurcation; Transfer of Funds; Payment of the Costs of Issuance. The District is hereby authorized and directed to bifurcate the \$17,885,000 Outstanding principal amount of CFM Community Development District Capital Improvement Revenue Bonds, Series 2004A, into (i) \$1,985,000 aggregate principal amount of CFM Community Development District Capital Improvement Revenue Bonds, Series 2004A (the "Unexchanged Series 2004A Bonds"), secured solely by the Parcels A&J True-Up Payments, and (ii) \$15,900,000 in aggregate principal amount of CFM Community Development District Capital Improvement Revenue Bonds, Series 2004A (the "Exchanged Series 2004A Bonds") and the exchange of the Exchanged Series 2004A Bonds into (a) \$7,612,827 of initial principal amount of CFM Community Development District Capital Improvement Revenue Bonds, Series 2004A-1 (Convertible Capital Appreciation Bonds), secured by Series 2004A-1 Special Assessments levied on the Final Parcels, and the Final Parcels Sale Proceeds, if any, (the "Series 2004A-1 Bonds") and (b) \$8,285,000 aggregate principal amount of CFM Community Development District Capital Improvement Revenue Bonds, Series 2004A-2, secured by the Series 2004A-2 Special Assessments levied on benefitted lots sold to builders, end-users and other landowners that are unaffiliated with the SPE comprised of lots and parcels, other than the Final Parcels, less and except those properties that have previously prepaid in full Series 2004A Assessments, and the Forbearance Termination Payment (the "Series 2004A-2 Bonds" and, together with the Series 2004A-1 Bonds, the "Series 2004A-1/2 Bonds") (collectively, hereinafter referred to as the "Trifurcation").

The Series 2004A-1/2 Bonds shall be issued under and secured by the Series 2004A-1/2 Indenture, which by reference is hereby incorporated into this Resolution as if set forth in full herein. The Unexchanged Series 2004A Bonds shall remain secured by the Original Indenture as amended by the Amendment. The final aggregate principal amounts of the Series 2004A-1/2 Bonds may change from the amounts stated in this Section 3 based on Outstanding principal amounts of the Original Series 2004A Bonds at the time of closing of the, which changes shall be approved by the Chairperson or Vice Chairman of the Board (the "Chairperson" and "Vice Chairman," respectively) or any member of the Board designated by the Chairperson in writing (a "Designated Member"), with execution of the Third Supplemental Indenture and the Amendment, constituting conclusive evidence of such approval.

The District hereby determines that the Series 2004A-1/2 Bonds shall be dated such date, shall mature in the amounts and at the times, shall bear interest at the rates, and be redeemable at the redemption prices all as provided in the Third Supplemental Indenture.

The Funds and Accounts established under the Original Indenture shall remain open for the benefit of the Unexchanged Series 2004A Bonds while the Unexchanged Series 2004A Bonds remain outstanding. The Board specifically authorizes the transfer by the Trustee of funds on deposit in the Funds and Accounts held under the Original Indenture to the respective Funds and Accounts held under the Series 2004A-1/2 Indenture as established in the Third Supplemental Indenture.

Costs of issuance associated with the Trifurcation will be funded from existing Funds and Accounts and/or by the Bondholder.

Section 4. Third Supplemental Indenture. The Board hereby approves the form of the Third Supplemental Indenture attached hereto as **Exhibit A**, and authorizes the execution thereof by the Chairperson, Vice Chairman, or a Designated Member, and the attestation thereof by the Secretary or any Assistant Secretary of the Board (collectively referred to herein as the "Secretary"), and the delivery of such Third Supplemental Indenture in substantially the form attached hereto, with such changes therein as shall be approved by the Chairperson, Vice Chairman, or Designated Member executing the same, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the form of the Third Supplemental Indenture attached hereto.

Section 5. Amendment. The Board hereby approves the form of the Amendment attached hereto as **Exhibit B**, and authorizes the execution thereof by the Chairperson, Vice Chairman, or a Designated Member, and the attestation thereof by the Secretary, and the delivery of such Amendment in substantially the form attached hereto, with such changes therein as shall be approved by the Chairperson, Vice Chairman, or Designated Member executing the same, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the form of the Amendment attached hereto.

Section 6. Information Memorandum and authorization of an Acknowledgment of Continuing Disclosure Agreement. The Board hereby approves the form of an Information Memorandum describing the Trifurcation attached hereto as **Exhibit C**, with such changes therein as shall be approved by the Chairperson, Vice Chairman, or Designated Member. The Board hereby authorizes and directs the execution of an "Acknowledgment of Continuing Disclosure Agreement" related to the post-Trifurcation disclosure obligations in such forms as shall be approved by District Counsel, the Assessment Consultant and Special Tax Counsel, as applicable. The District's staff is hereby directed to issue or have issued any appropriate notice to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system regarding the Trifurcation, including the Information Memorandum, if applicable, and to provide any other notice(s) required by law.

Section 7. Trifurcation Assessment Report. The Trifurcation Assessment Report related to the Trifurcation, attached hereto as **Exhibit D** with such changes therein as shall be

approved by the Chairperson, Vice Chairman, or Designated Member, is hereby approved for purposes of its inclusion in the Information Memorandum.

Section 8. Further Official Action; Ratification of Prior and Subsequent Acts. The Chairperson, the Vice Chairman, the Secretary and a Designated Member and any other proper official of the District are each hereby authorized and directed to execute and deliver any and all documents and instruments in furtherance of the Trifurcation (including, without limitation, any documents required by the Trustee to evidence its rights and obligations with respect to the Trifurcation, any documents required in connection with maintaining the exclusion of interest on the Series 2004A-1/2 Bonds from gross income of the holders thereof) and to do and cause to be done any and all acts and things necessary or desirable for carrying out the Trifurcation contemplated by this Resolution. In the event that the Chairperson, the Vice Chairman or the Secretary is unable to execute and deliver the documents herein contemplated, such documents shall be executed and delivered by the respective designee of such officer or official or any other duly authorized officer or official of the District. The Secretary is hereby authorized and directed to apply and attest the official seal of the District to any agreement or instrument authorized or approved herein that requires such a seal and attestation. The Chairperson or any Designated Member may, among other things, authorize the change of the date of any document accompanying this Resolution as an exhibit or incorporate the information and details related to the Trifurcation. Execution by the Chairperson or a Designated Member of such document shall be deemed to be conclusive evidence of approval of such change of date or the incorporation of information and details relating to the Trifurcation. All of the acts and doings of such members of the Board, the officers of the District, and the agents and employees of the District, which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved.

Section 9. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.

Section 10. Inconsistent Proceedings. All resolutions or proceedings, or parts thereof, in conflict with the provisions hereof are to the extent of such conflict hereby repealed or amended to the extent of such inconsistency.

Section 11. Public Meetings. This Resolution shall take effect immediately upon its adoption. It is hereby found and determined that all formal actions of the District concerning and relating to the adoption of this Resolution and the consummation of the transactions contemplated by this Resolution were adopted in open meetings of the District, and that all deliberations of the District that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 12. Effective Date. This Resolution shall become effective immediately upon its adoption. The Trifurcation and documents related thereto including, without limitation, the Term Sheet, the Third Supplemental Indenture, the Amendment, the Acknowledgment of Continuing Disclosure Agreement, and the Information Memorandum, shall become effective on

the effective date provided therein, subject to the receipt by the Trustee of the written consent of the Bondholder.

ADOPTED this 15th day of August, 2019.

[SEAL]

**CFM COMMUNITY DEVELOPMENT
DISTRICT**

ATTEST:

Belinda Blandon, Secretary

By: _____
Leah Popelka, Chairperson, Board of
Supervisors

EXHIBIT A

FORM OF THE THIRD SUPPLEMENTAL INDENTURE

THIRD SUPPLEMENTAL TRUST INDENTURE
BETWEEN
CFM COMMUNITY DEVELOPMENT DISTRICT
AND
U.S. BANK, NATIONAL ASSOCIATION, AS TRUSTEE
DATED AS OF [AUGUST 1, 2019]

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This Table of Contents is incorporated herein for ease of reference only as shall not be deemed a part of this Third Supplemental Trust Indenture.

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THIRD SUPPLEMENTAL TRUST INDENTURE

This **THIRD SUPPLEMENTAL TRUST INDENTURE** (the "Third Supplemental Indenture") dated as of [August 1, 2019], from **CFM COMMUNITY DEVELOPMENT DISTRICT** (the "District" or the "Issuer") to U.S. Bank, National Association, as Trustee (the "Trustee"), a national banking association existing under and by virtue of the laws of the United States and authorized to accept and execute trusts of the character herein set out, with its designated office and post office address located at 225 East Robinson Street, Suite 250, Orlando, Florida, 32801, Attention: Corporate Trust Department. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Master Indenture (hereinafter defined).

WHEREAS, the District has entered into a Master Trust Indenture dated as of July 1, 2003 (as subsequently amended May 1, 2019, the "Master Indenture") with the Trustee to secure the issuance from time to time of its CFM Community Development District Capital Improvement Revenue Bonds (the "Bonds") in one or more Series and of its bond anticipation notes; and

WHEREAS, the District, among other matters, authorized the issuance of its not exceeding \$32,000,000 Capital Improvement Revenue Bonds, Series 2004A (the "Original Series 2004A Bonds") and its not exceeding \$17,000,000 Capital Improvement Revenue Bonds, Series 2004B (the "Series 2004B Bonds" and, together with the Original Series 2004A Bonds, the "Original Series 2004 Bonds") pursuant to the Master Indenture, as supplemented; and

WHEREAS, the Bonds were validated by final judgment of the Twentieth Judicial Circuit Court in and for Lee County, Florida on May 13, 2002; and

WHEREAS, the Series 2004B Bonds were redeemed in full during fiscal year 2008; and

WHEREAS, the Original Series 2004A Bonds were issued pursuant to the Master Indenture, as amended and supplemented by that certain Second Supplemental Trust Indenture dated as of May 1, 2004, as amended by that certain First Amendment to Second Supplemental Trust Indenture dated as of May 1, 2009, and that Second Amendment to Second Supplemental Trust Indenture dated as of May 1, 2019 (collectively, the "Second Supplemental Indenture" and, together with the Master Indenture, the "Original Indenture") each by and between the District and the Trustee; and

WHEREAS, in connection with the issuance of the Original Series 2004A Bonds, and pursuant to Chapters 170 and 190, *Florida Statutes*, Resolution Nos. 2002-04, 2002-05, 2002-06, 2003-03, 2003-04, 2004-04, 2013-05, 2013-06 and 2013-11 and the Original Indenture, the District levied non ad-valorem special assessments (the "Series 2004A Special Assessments") securing and pledged to the repayment of the Original Series 2004A Bonds on those lands benefitting from the improvements financed with proceeds from such Original Series 2004A Bonds (except lands subsequently removed, the "Series 2004 Project"), as more specifically set forth in the Preliminary Special Assessment Methodology Report, dated as of April 1, 2002, as amended by the Supplemental Special Assessment Methodology Report, dated July 27, 2003, the Final Special Assessment Methodology Report, dated May 20, 2004, and the First Supplement to May 20, 2004 Final Special Assessment Methodology Report, dated August 20, 2009 prepared by Special District Services, Inc. (collectively, the "Series 2004 Assessment Methodology Report"); and

WHEREAS, since the issuance of the Original Series 2004A Bonds, the principal owner and developer of lands within the District (the "Delinquent Landowner") failed to pay the Series 2004A Special Assessments levied against the lands owned by the Delinquent Landowner within the District that were due and owing; and

WHEREAS, the Trustee, at the direction of the beneficial owners of the Original Series 2004A Bonds (the "Bondholder") created Maxcy Development Group Holdings-CFM, Inc. (the "SPE") to take title to a portion of the lands owned by the Delinquent Landowner (the "Delinquent Lands"); and

WHEREAS, on February 24, 2011, the District entered into a Forbearance and Modification Agreement (the "Modification Agreement") with Windham/Magnolia Landing, L.L.C., (the "Developer"), the SPE and the Trustee in order to modify the lots and amounts securing and available to pay the Original Series 2004A Bonds. Special tax counsel advised that the execution and delivery of the Modification Agreement by the parties thereto resulted in a reissuance of the Original Series 2004A because the yield on the Original Series 2004A changed more than 0.25 percent as a result of the modification. The creation of the SPE and the execution and delivery of the Modification Agreement facilitated a repositioning of the portions of the District with delinquent Series 2004A Special Assessments for the benefit of the Bondholder pursuant to a Transfer and Transition Agreement dated April 18, 2013, between the District, Trustee, SPE and Delinquent Landowner; and

WHEREAS, certain portions of the Delinquent Lands designated parcel A ("Parcel A") and parcel J ("Parcel J") were sold to D.R. Horton, Inc. ("Horton") pursuant to that certain Land Purchase Contract dated as of July 27, 2016, between Horton and the SPE (as amended from time to time, the "Land Sale Agreement"); and

WHEREAS, the Land Sale Agreement requires Horton to make certain true up payments to the SPE upon its sale of homes in Parcel A and Parcel J respectively, as follows: (a) ten percent (10%) of sale proceeds above \$225,000 for sales of homes located in Parcel A, and (2) ten percent (10%) of sale proceeds above \$300,000 for sales of homes located in Parcel J (the "Parcels A&J True-Up Payments"); and

WHEREAS, in connection with the Land Sale Agreement, Horton entered into a forbearance agreement with the District and the Trustee dated as of November 3, 2017 (the "Horton Forbearance Agreement") relating to certain Series 2004A Special Assessments that burdened Parcel A and Parcel J; and

WHEREAS, the Horton Forbearance Agreement requires Horton to pay on November 1, 2019 a termination fee representing the delinquent assessments in an amount not to exceed \$703,989.72 (the "Forbearance Termination Payment"); and

WHEREAS, upon the sale of Parcels A and Parcel J and certain other transfers and adjustments, Delinquent Lands continued to be held by the SPE for which the Series 2004A Special Assessments hitherto remained delinquent (the "Final Parcels"); and

WHEREAS, the Final Parcels are expected to be sold and transferred to a buyer in consideration of such buyer's payment of sale proceeds to the SPE (the "Final Parcels Sale Proceeds"); and

WHEREAS, the District and the Trustee, at the direction of the Bondholder, now seek to restructure the outstanding \$17,885,000 Original Series 2004A Bonds by trifurcating them (the "Trifurcation") into the (a) [\$1,985,000] remaining Original Series 2004A Bonds which are to remain outstanding (the "Unexchanged Series 2004A Bonds") secured solely by the Parcels A&J True-Up Payments; (b) initial principal amount of [\$7,612,827] of Capital Improvement Revenue Bonds, Series 2004A-1 (Convertible Capital Appreciation Bonds) (the "Series 2004A-1 Bonds"), secured by (i) Series 2004A Special Assessments levied on the Final Parcels, with such specific tax parcels listed in Exhibit B (the "Series 2004A-1 Special Assessments") and (ii) the Final Parcels Sale Proceeds; and (c) \$[8,285,000] Capital Improvement Revenue Bonds, Series 2004A-2 (the "Series 2004A-2 Bonds" and, together with the Series 2004A-1 Bonds, the "Series 2004A-1/2 Bonds") secured by (i) Series 2004A Special Assessments levied on the benefited lots sold to builders, end-users and other landowners that are unaffiliated with the SPE comprised of lots and parcels *other than* the Final Parcels, less and except those properties that have previously prepaid in full Series 2004A Assessments, with such specific tax parcels listed in Exhibit B (the "Series 2004A-2 Special Assessments" and, together with the Series 2004A-1 Special Assessments, the "Series 2004A-1/2 Special Assessments") and (ii) the Forbearance Termination Payment; and

WHEREAS, in connection with the Trifurcation, the Series 2004 Assessment Methodology Report was supplemented by the report of Rizzetta & Co., assessment consultants, setting forth the allocation of the Series 2004A Special Assessments into Series 2004A-1 Special Assessments and Series 2004A-2 Special Assessments by lot and parcel (the "Trifurcation Assessment Report"); and

WHEREAS, as part of the Trifurcation, all of the funds on deposit in the Funds and Accounts established under the Original Indenture, together with certain monies received from the Borrower, will be transferred to the Funds and Accounts established under this Third Supplemental Indenture (together with the Master Indenture, the "Indenture") to be used and applied as provided herein,

WHEREAS, the execution and delivery of the Series 2004A-1/2 Bonds and of the Indenture have been duly authorized by the Board and all things necessary to make the Series 2004A-1/2 Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations of the District and to make this Third Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the Series 2004A-1 Trust Estate and the Series 2004A-2 Trust Estate, each as hereinafter defined (a "Series Trust Estate" as defined in the Master Indenture) have been done; and

WHEREAS, as a result of the modifications and amendments made hereby, the Series 2004A-1 Bonds shall be payable from and secured solely by the Series 2004A-1 Special Assessments and the Final Parcels Sale Proceeds, which together with the Funds and Accounts established hereunder for the benefit of the Series 2004A-1 Bonds will comprise the

Series 2004A-1 Trust Estate, which shall constitute a separate Trust Estate under the Indenture;
and

WHEREAS, as a result of the modifications and amendments made hereby, the Series 2004A-2 Bonds shall be payable from and secured solely by the Series 2004A-2 Special Assessments and the Forbearance Termination Payment, which together with the Funds and Accounts established hereunder for the benefit of the Series 2004A-2 Bonds will comprise the Series 2004A-2 Trust Estate, which shall constitute a separate Trust Estate under the Indenture;
and

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

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the mutual covenants herein contained, the purchase and acceptance of the Series 2004A-1 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 of, the Redemption Price, and interest on, the Series 2004A-1 Bonds Outstanding from time to time, according to their tenor and effect, and such other payments required to be made under the Master Indenture or hereunder, and to further secure the observance and performance by the District of all the covenants, expressed or implied in the Master Indenture, in this Third Supplemental Indenture and in the Series 2004A-1 Bonds: (a) has executed and delivered this Third 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 2004A-1 Pledged Revenues (as hereinafter defined) and the 2004A-1 Pledged Funds (as hereinafter defined) which shall comprise a part of the Series 2004A-1 Trust Estate;

AND

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the mutual covenants herein contained, the purchase and acceptance of the Series 2004A-2 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 of, the Redemption Price, and interest on, the Series 2004A-2 Bonds Outstanding from time to time, according to their tenor and effect, and such other payments required to be made under the Master Indenture or hereunder, and to further secure the observance and performance by the District of all the covenants, expressed or implied in the Master Indenture, in this Third Supplemental Indenture and in the Series 2004A-2 Bonds: (a) has executed and delivered this Third 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 2004A-2 Pledged Revenues (as hereinafter defined) and the 2004A-2 Pledged Funds (as hereinafter defined) which shall comprise a part of the Series 2004A-2 Trust Estate;

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

IN TRUST NEVERTHELESS, except as in each such case may otherwise be provided in the Master Indenture, upon the terms and trusts in the Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the Series 2004A-1/2 Bonds issued or to be issued under and secured by this Third Supplemental Indenture, without preference, priority or distinction as to lien or otherwise, of any one Series 2004A-1/2 Bonds over any other Series 2004A-1/2 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 Series 2004A-1/2 Bonds or any Series 2004A-1/2 Bonds of a particular maturity issued, secured and Outstanding under this Third Supplemental Indenture and the interest due or to become due thereon, at the times and in the manner mentioned in the Series 2004A-1/2 Bonds and this Third 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 Third 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 Third Supplemental Indenture, then upon such final payments, this Third Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all Series 2004A-1/2 Bonds or any Series 2004A-1/2 Bond of a particular maturity, otherwise this Third Supplemental Indenture shall remain in full force and effect;

THIS THIRD SUPPLEMENTAL INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all the Series 2004A-1/2 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 Third Supplemental Indenture), including this Third Supplemental Indenture, expressed, and the District has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Series 2004A-1/2 Bonds, as follows:

ARTICLE I DEFINITIONS

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

"Accreted Interest" shall mean, with respect to the Series 2004A-1 Bonds, the difference between the Accreted Value of a Bond, as calculated at any given point in time, and its Initial Principal Amount.

"Accreted Value" shall mean, with respect to the Series 2004A-1 Bonds, as of the date of computation, an amount (truncated to three (3) decimal places) equal to the Initial Principal Amount of such Series 2004A-1 Bonds at the date of issuance plus the interest accrued on such Series 2004A-1 Bonds from the date of issuance of such Series 2004A-1 Bonds to the date of computation at the rate of interest per annum of the Series 2004A-1 Bonds compounded semi-annually on each Interest Accrual Date; provided, however, that if the date with respect to which any such computation is made is not an Interest Accrual Date, the Accreted Value of any Series 2004A-1 Bond as of such date shall be the amount determined by compounding the Accreted Value of such Series 2004A-1 Bond as of the immediately preceding Interest Accrual Date (or the date of original issuance if the date of computation is prior to the first Interest Accrual Date succeeding the date of original issuance) at the rate of interest per annum of the Series 2004A-1 Bonds for the partial semi-annual compounding period determined by dividing (x) the 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 Accrual Date (or the date of original issuance if the date of computation is prior to the first Interest Accrual Date succeeding the date of issuance), by (y) one hundred eighty (180). The maximum Accreted Value of the Series 2004A-1 Bonds shall be the Maturity Amount. The initial Accreted Value table for the Series 2004A-1 Bonds is attached hereto as Exhibit C.

"Amortization Installments" shall mean, following mandatory or optional Conversion to Current Interest Bonds, the amortizing payments and amounts established for payment of the Series 2004A-1 Special Assessments from the Conversion Date to the Maturity Date.

"Bond Depository" shall mean the securities depository from time to time under Section 201 hereof, which may be the District.

"Bond Resolution" shall mean collectively, Resolution No. 2002-02 of the Board adopted on April 14, 2002 and Resolution No. 2004-1 adopted by the Board on April 19, 2004.

"Commencement Date" shall mean the earlier of (i) the date of transfer of the Final Parcels to a third-party buyer, or (ii) the Conversion Date.

"**Conversion**" shall mean the conversion of the Series 2004A-1 Bonds from Capital Appreciation Bonds to Current Interest Bonds as provided in Section 301 of this Third Supplemental Indenture.

"**Conversion Date**" shall mean November 1, 2020.

"**Convertible Capital Appreciation Bonds**" shall mean the Series 2004A-1 Bonds issued under this Indenture.

"**Current Interest Bonds**" shall mean the Series 2004A-1 Bonds after the Conversion Date and the Series 2004A-2 Bonds.

"**Delinquent Assessment Interest**" shall mean 2004A-1 Assessment Interest and the 2004A-2 Assessment Interest, respectively, 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 2004A-1 Assessment Principal and the 2004A-2 Assessment Principal, respectively, deposited by the District with the Trustee on or after May 1 of the year in which such 2004A-1 Assessment Principal or such 2004A-2 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.

"**Final Parcels**" shall have the meaning ascribed in the recitals hereto.

"**Final Parcels Sale Proceeds**" shall have the meaning ascribed in the recitals hereto.

"**Forbearance Termination Payment**" shall have the meaning ascribed in the recitals hereto.

"**Initial Principal Amount**" shall mean, in the case of the Series 2004A-1 Bonds, \$[7,612,827].

"**Interest Accrual Date**" shall mean, with respect to the Series 2004A-1 Bonds, each May 1 and November 1 through the Maturity Date.

"**Interest Payment Date**" shall mean each November 1 and May 1, commencing November 1, 2019, in the case of the Series 2004A-2 Bonds; and such May 1 immediately following the Conversion Date, in the case of the Series 2004A-1 Bonds.

"**Maturity Amount**" shall mean in the case of the Series 2004A-1 Bonds, \$[8,195,000] on \$8,285,000 in the case of the Series 2004A-2 Bonds.

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

"Series 2004 Project" shall have the meaning ascribed in the recitals hereto.

"Series 2004A-1 Bonds" shall mean the District's initial principal amount of \$[7,612,827] of Capital Improvement Revenue Bonds, Series 2004A-1 (Convertible Capital Appreciation Bonds), initially issued as convertible capital appreciation bonds and delivered pursuant to the provisions of the Indenture, convertible into Current Interest Bonds in accordance with the terms of this Third Supplemental Indenture.

"Series 2004A-1 Special Assessments" shall have the meaning ascribed in the recitals hereto.

"Series 2004A-1 Trust Estate" shall mean the 2004A-1 Pledged Revenues and the 2004A-1 Pledged Funds.

"Series 2004A-2 Bonds" shall mean the District's \$[8,285,000] Capital Improvement Revenue Bonds, Series 2004A-2, issued and delivered pursuant to the provisions of the Indenture.

"Series 2004A-2 Special Assessments" shall have the meaning ascribed in the recitals hereto.

"Series 2004A-2 Trust Estate" shall mean the 2004A-2 Pledged Revenues and the 2004A-2 Pledged Funds.

"Series 2004A-1/2 Bonds" shall mean, collectively, the Series 2004A-1 Bonds and the Series 2004A-2 Bonds.

"2004 Assessment Proceedings" shall mean the proceedings of the District with respect to the establishment, levy and collection of the Series 2004A Special Assessments, and any supplemental proceedings undertaken by the District with respect to the Series 2004A-1 Special Assessments and the Series 2004A-2 Special Assessments.

"2004A-1 Assessment Interest" shall mean the interest on the Series 2004A-1 Special Assessments which is pledged to the Series 2004A-1 Bonds.

"2004A-1 Assessment Principal" shall mean the amount of Series 2004A-1 Special Assessments received by the District which represents the principal and Amortization Installments relating to the Series 2004A-1 Bonds, other than applicable Delinquent Assessment Principal and 2004A-1 Prepayment Principal.

"2004A-1 Assessment Revenues" shall mean all revenues derived by the District from the Series 2004A-1 Special Assessments.

"2004A-1 Pledged Funds" shall mean the Funds and Accounts established hereby for the benefit of the Series 2004A-1 Bonds.

"2004A-1 Pledged Revenues" shall mean all revenues derived by the District from the Series 2004A-1 Special Assessments and the Final Parcels Sale Proceeds.

"2004A-1 Prepayment Principal" shall mean the excess amount of 2004A-1 Assessment Principal received by the District over the 2004A-1 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 2004 Assessment Proceedings. Anything herein or in the Master Indenture to the contrary notwithstanding, the term 2004A-1 Prepayment Principal shall not mean the proceeds of any Refunding Bonds or other borrowing of the District.

"2004A-1 Reserve Account Requirement" shall mean zero as there is no 2004A-1 Reserve Account Requirement.

"2004A-2 Assessment Interest" shall mean the interest on the Series 2004A-2 Special Assessments which is pledged to the Series 2004A-2 Bonds.

"2004A-2 Assessment Principal" shall mean the amount of Series 2004A-2 Special Assessments received by the District which represents the principal and Amortization Installments relating to the Series 2004A-2 Bonds.

"2004A-2 Assessment Revenues" shall mean all revenues derived by the District from the Series 2004A-2 Special Assessments.

"2004A-2 Pledged Funds" shall mean the Funds and Accounts established hereby for the benefit of the Series 2004A-2 Bonds.

"2004A-2 Pledged Revenues" shall mean all revenues derived by the District from the Series 2004A-2 Special Assessments and the Forbearance Termination Payment.

"2004A-2 Prepayment Principal" shall mean the excess amount of 2004A-2 Assessment Principal received by the District over the 2004A-2 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 2004 Assessment Proceedings. Anything herein or in the Master Indenture to the contrary notwithstanding, the term 2004A-2 Prepayment Principal shall not mean the proceeds of any Refunding Bonds or other borrowing of the District.

"2004A-2 Reserve Account Requirement" shall mean [\$410,859], which amount is equal to 50% of estimated maximum annual debt service on the Series 2004A-2 Bonds.

"2004A-1/2 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 Association);
- (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 category 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 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 both Moody's and 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 both Moody's and S&P;

(ix) repurchase agreements, which will be collateralized at the onset of the repurchase agreement of at least 103% marked to market daily with Collateral, as hereinafter defined, 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 mono-line 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. For the purposes herein, "Collateral" shall mean obligation of the United States of America (the "U.S."), agencies of the U.S., the Fannie Mae, or the Federal Home Loan Mortgage Corporation. Obligations of such entities can be in the form of collateralized mortgage obligations ("CMO's"). Any repurchase agreement entered into pursuant to this Indenture 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;

(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 mean of entries on the transferors' 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 contact" as defined in the Financial Institutional 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 ant 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 one year, or, if payable upon demand, five years;

(I) The interest with respect to the repurchase transaction shall be payable no less frequently than semi-annually;

(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 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 Series 2004A-1 Bonds or Series 2004A-2 Bonds, as the case may be;

(xi) bonds, notes and other debt obligation 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, 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 claim paying ability) rated by at least 2 national rating agencies with a minimum rating of A2, 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 in paid at least semiannually at a fixed rate (subject to adjustments for yield restriction required by the Code) during the entire term of the agreement, consistent with the Interest Payment Dates;

(B) moneys invested thereunder may be withdrawn without penalty, premium, or charge upon not more than two days' notice;

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

(D) the Trustee receives an opinion of counsel that such agreement in an enforceable obligation of such insurance company, bank, financial institution or parent;

(E) in the event of a suspension, withdrawal, or downgrade below the minimum rating specified above, within 10 days, the investment agreement provider will either (a) deliver to the Trustee collateral (level and type of collateral to meet published ratings agencies guidelines for an investment grade) or (b) repay the principal of an accrued but unpaid interest on the investment;

(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 Moody's and S&P or in one of the two highest categories by either S&P or Moody's; and

(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).

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.

ARTICLE II AUTHORIZATION, ISSUANCE AND PROVISIONS OF THE SERIES 2004A-1/2 BONDS

Section 201 Authorization of the Series 2004A-1/2 Bonds; Book-Entry Only Form. The Original Series 2004 Bonds were initially authorized to be issued in two Series in the aggregate principal amount of \$42,940,000 for the purposes enumerated in the recitals hereto, with the Original Series 2004A Bonds being issued in the aggregate principal amount of \$27,740,000 and designated as "CFM Community Development District Capital Improvement Revenue Bonds, Series 2004A" and the Series 2004B Bonds being issued in the aggregate principal amount of \$15,200,000 and designated as the "CFM Community Development District Capital Improvement Revenue Bonds, Series 2004B." The Series 2004B Bonds were previously redeemed in full. In accordance with the provisions of this Third Supplemental Indenture, the Original Series 2004A Bonds shall be trifurcated into three Series comprised of the following: (1) the Series 2004A-1 Bonds; (2) the Series 2004A-2 Bonds; and (3) the Unexchanged Series 2004A Bonds. The Series 2004A-1 Bonds shall be substantially in the form set forth as Exhibit A-1-A (while Capital Appreciation Bonds) and Exhibit A-1-B (while Current Interest Bonds) to this Third Supplemental Indenture. The Series 2004A-2 Bonds shall be substantially in the form set forth as Exhibit A-2 to this Third Supplemental Indenture.

The Series 2004A-1 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2004A-1 Bond and shall be numbered RA1-1 and numbered consecutively from 1 upwards. The Series 2004A-2 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2004A-2 Bond and shall be numbered RA2-1 and numbered consecutively from 1 upwards. Upon initial issuance, the ownership of each such Series 2004A-1/2 Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the initial Bond Depository. Except as provided in this Section 201, all of the Outstanding Series 2004-1/2 Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC.

With respect to Series 2004A-1/2 Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any indirect Bond Participant. Without limiting the immediately preceding sentence, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no

responsibility or obligation with respect to (I) the accuracy of the records of DTC, Cede & Co. or any Bond Participant with respect to any ownership interest in the Series 2004A-1/2 Bonds, (ii) the delivery to any Bond Participant or any other person other than an Owner, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the Series 2004A-1/2 Bonds, including any notice of redemption, or (iii) the payment to any Bond Participant or any other person, other than an Owner, as shown in the registration books kept by the Bond Registrar, of any amount with respect to principal of, premium, if any, or interest on the Series 2004A-1/2 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each Series 2004A-1/2 Bond is registered in the registration books kept by the Bond Registrar as the absolute owner of such Series 2004A-1/2 Bond for the purpose of payment of principal, premium and interest with respect to such Series 2004A-1/2 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2004A-1/2 Bond, for the purpose of registering transfers with respect to such Series 2004A-1/2 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2004A-1/2 Bonds only to or upon the order of the respective Owners, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2004A-1/2 Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books kept by the Bond Registrar, shall receive a certificated Series 2004A-1/2 Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to the provisions hereof. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new Nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the words "Cede & Co." in this Third Supplemental Indenture shall refer to such new Nominee of DTC; and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Trustee, Bond Registrar and the Paying Agent.

Upon receipt by the Trustee or the District of written notice from DTC: (i) confirming that DTC has received written notice from the District to the effect that a continuation of the requirement that all of the Outstanding Series 2004A-1/2 Bonds be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, is not in the best interest of the beneficial owners of the Series 2004A-1/2 Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute Bond Depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, the Series 2004A-1/2 Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, but may be registered in whatever name or names Owners transferring or exchanging the Series 2004A-1/2 Bonds shall designate, in accordance with the provisions hereof.

Section 202 Terms of Series 2004A-1/2 Bonds. The Series 2004A-1 Bonds shall be Convertible Capital Appreciation Bonds, shall have an initial principal amount and Maturity Amount, and shall bear interest at the fixed interest rate per annum and shall mature in the amount and on the date set forth below: The Series 2004A-2 Bonds shall be Term Bonds. The Series 2004A-2 Bonds shall bear interest at the fixed interest rates per annum and shall mature in the amounts and on the dates set forth below:

Series 2004A-1 Bonds

| <u>Maturity Date</u> | <u>Initial Principal Amount</u> | <u>Maturity Amount</u> | <u>Interest Rate</u> | <u>CUSIP No.</u> |
|----------------------|---------------------------------|------------------------|----------------------|------------------|
| May 1, 2035 | \$[7,612,827] | \$[8,195,000] | 6.25% | 15721R AD8 |

Series 2004A-2 Bonds

| <u>Maturity Date</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>CUSIP No.</u> |
|----------------------|-------------------------|----------------------|------------------|
| May 1, 2035 | \$[8,285,000] | 6.25% | 15721R AE6 |

The Series 2004A-1 Bonds shall be subject to Conversion on the Conversion Date as set forth in Section 301 hereof.

The Accreted Value table for the Series 2004A-1 Bonds is attached hereto as Exhibit C. Upon the redemption of any Series 2004A-1 Bonds prior to the Conversion Date the District shall provide the Trustee a new Accreted Value table, upon which the Trustee may conclusively rely.

Section 203 Dating; Interest Accrual. Each Series 2004A-1/2 Bond shall be dated August 1, 2019. Each Series 2004A-1/2 Bond also shall bear its date of authentication. While the Series 2004A-1 Bonds are Capital Appreciation Bonds they will not bear current interest, but will accrete interest, on each Interest Accrual Date from the date of issuance to the Conversion Date or the Maturity Date, whichever occurs first. After the Conversion Date, the Series 2004A-1 Bonds will be Current Interest Bonds bearing current interest on the Outstanding principal amount as of the Conversion Date at the rate noted above, which shall be due on each Interest Payment Date after Conversion through Maturity. Each Series 2004A-2 Bond (and each Series 2004A-1 Bond following the Conversion Date) shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication: (i) is an Interest Payment Date to which interest on such Series 2004A-1/2 Bond has been paid, in which event such Series 2004A-1/2 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the Series 2004A-1/2 Bonds, in which event, such Series 2004A-1/2 Bond shall bear interest from its dated date. Interest on the Series 2004A-1/2 Bonds shall be due and payable on each May 1 and November 1, commencing November 1, 2019 in the case of the Series 2004A-2 Bonds, and commencing in the first May 1 following the Conversion Date in the case of the Series 2004A-1 Bonds, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 204 Denominations. The Series 2004A-1/2 Bonds shall be issued in Authorized Denominations; provided, however, that the Series 2004A-1/2 Bonds shall be delivered to the initial purchasers thereof only in aggregate principal amounts of \$100,000 or

integral multiples of Authorized Denominations of \$5,000 in excess of \$100,000; provided further, that with respect to Capital Appreciation Bonds, Authorized Denomination shall be the greater of: (i) the Initial Principal Amount attributable to each \$5,000 of Maturity Amount, or (ii) the Accreted Value of each \$5,000 of Maturity Amount.

Section 205 Paying Agent. The District appoints the Trustee as Paying Agent for the Series 2004A-1/2 Bonds.

Section 206 Bond Registrar. The District appoints the Trustee as Bond Registrar for the Series 2004A-1/2 Bonds.

Section 207 Conditions Precedent to the Trifurcation of the Original Series 2004A Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection with the trifurcation of the Original Series 2004A Bonds, all of the Series 2004A-1/2 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 2004 Assessment Proceedings including all amendments and supplements thereto;

(b) Executed copies of the Bond Resolution, Master Indenture and this Third Supplemental Indenture;

(c) An opinion of Counsel to the District, addressed to the Trustee and the District, to the effect that (i) this Third Supplemental Indenture has been duly authorized executed and delivered by the District; (ii) the Series 2004A-1/2 Special Assessments are legal, valid and binding first liens upon the property against which such Assessments are made, coequal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid; and (iii) the Series 2004A-1/2 Bonds are valid, binding, special limited obligations of the District, payable in accordance with, and as limited by the terms of the Master Indenture and this Third Supplemental Indenture, subject, in each case, to bankruptcy, insolvency or other laws affecting the rights of creditors generally;

(d) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Series 2004A-1/2 Bonds, the District will not be in default in the performance of the terms and provisions of the Master Indenture or this Third Supplemental Indenture, it being understood that any existing and continuing Event of Default under the Unexchanged Bonds shall not be an Event of Default under the Series 2004A-1/2 Bonds;

(e) A certified copy of the final judgment of validation in respect of the Bonds together with a certificate of no appeal; and

(f) The Series 2004 Assessment Methodology Report and all amendments and supplements thereto.

Section 208 Unexchanged Series 2004A Bonds. \$1,985,000] in principal amount of the Unexchanged Series 2004A Bonds shall remain Outstanding under the Original Indenture, as may be amended by separate instrument.

**ARTICLE III
CONVERSION; REDEMPTION OF THE SERIES 2004A-1/2 BONDS**

Section 301 Conversion of Series 2004A-1 Bonds; Conversion of Capital Appreciation Bonds to Current Interest Bonds.

The Series 2004A-1 Bonds shall be subject to Conversion from Capital Appreciation Bonds to Current Interest Bonds as provided in this Section 301.

(a) Mandatory Conversion. The Series 2004A-1 Bonds shall be converted from Capital Appreciation Bonds to Current Interest Bonds in whole, and not in part, on the Conversion Date. Promptly, but in any event no later than within ten (10) Business Days, prior to the Conversion Date, the District shall send written notice (the "Mandatory Conversion Notice") to the Trustee and the Owners of the Series 2004A-1 Bonds which states: (i) that a Conversion Date has been established, (ii) that the Series 2004A-1 Bonds are subject to Conversion from Capital Appreciation Bonds to Current Interest Bonds on the Conversion Date, (iii) the Conversion Date, and (iv) if the Series 2004A-1 Bonds are not then held by a Bond Depository, the place or places where each Owner is required to tender, on the Conversion Date, its Capital Appreciation Bonds in exchange for Current Interest Bonds; provided, however, that if such tender information is not available to the District at the time of mailing of the Mandatory Conversion Notice, then the District may provide such information in a separate notice sent to the Trustee and the Owners of the Series 2004A-1 Bonds no less than five (5) Business Days prior to the Conversion Date. The Mandatory Conversion Notice shall be accompanied by a schedule setting forth the Amortization Installments for the Current Interest Bonds pursuant to Section 301(c) below.

(b) Execution and Delivery of Current Interest Bonds. The District shall execute and deliver to the Trustee for its receipt not less than two (2) Business Days prior to the Conversion Date, Current Interest Bonds in substantially the form attached hereto as Exhibit A-1-B, and the Trustee is hereby directed to authenticate such Current Interest Bonds and deliver the same to the Owners of Series 2004A-1 Bonds in exchange for the then Outstanding Capital Appreciation Bonds on the Conversion Date. The Current Interest Bonds shall initially be in the form of one fully-registered bond without coupons in an aggregate principal amount equal to the Maturity Amount of the Series 2004A-1 Bonds, rounded up to the nearest \$5,000 interval; provided, however, that if the Series 2004A-1 Bonds are not then held by a Bond Depository then physical bonds shall be delivered to the registered Owners as their names appear on the Bond Register maintained by the Registrar as of the close of business on the Regular Record Date. The Current Interest Bonds shall bear interest at the same fixed interest rate per annum and shall mature on the same date as the Capital Appreciation Bonds for which the Current Interest Bonds are issued in exchange for (which interest rate and maturity date are set forth in Section 202 hereof). The Current Interest Bonds shall be delivered in Authorized Denominations and shall be numbered consecutively from RA-1 and numbered consecutively from 1 upwards. In the event that Series 2004A-1 Bonds are not surrendered in accordance with the foregoing, such Series 2004A-1 Bonds

shall be deemed cancelled and the Registrar shall hold the Series 2004A-1 Current Interest Bonds issued in replacement thereof in trust for the Registered Owner thereof.

(c) Establishment of Amortization Schedules for Current Interest Bonds. The Current Interest Bonds shall be subject to mandatory redemption as set forth in Section 405(a) in part by lot by the Issuer on each May 1 from moneys in the 2004A-1 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof plus accrued interest to the redemption date. In connection with the Conversion, the District shall prepare or cause to be prepared a schedule setting forth the amount of the Amortization Installment payable on each May 1, which shall not exceed the aggregate amount of Series 2004A-1 Special Assessments estimated to be collected each year as set forth in the Series 2004 Assessment Methodology Report and supplemented by the Trifurcation Assessment Report, so as to amortize the Outstanding principal amount of the Current Interest Bonds to the extent possible over the remaining number of annual special assessment installments becoming due until the Maturity Date, in substantially level annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Current Interest Bonds. Upon each and every redemption of Current Interest Bonds other than in accordance with scheduled Amortization Installments, the Issuer shall cause to be recalculated and delivered to the Trustee a revised schedule of Amortization Installments recalculated so as to amortize the Outstanding principal amount of the Current Interest Bonds in substantially level annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Current Interest Bonds. The Amortization Installments as so recalculated shall not result in an increase in the Amortization Installments for the Current Interest Bonds in any year.

(d) Other Necessary Action. The District covenants and agrees to take, or cause to be taken, such other action as may be necessary or required to effectuate the Conversion of the Series 2004A-1 Bonds from Capital Appreciation Bonds to Current Interest Bonds in accordance with the provisions of this Section 301 including, without limitation, such action as may be required by DTC or any successor securities depository or necessary to maintain the Series 2004A-1 Bonds as fully-registered Bonds in book-entry only form with DTC or any successor securities depository.

Section 302 Prepayment; Removal of Special Assessment Liens.

(a) No Series 2004A-1 Special Assessments, nor any installment thereof, shall become due or payable prior to the Commencement Date. The principal amount of the Series 2004A-1 Special Assessments owed on each unit and the commencement of interest accrual thereon is determined on the Commencement Date. Upon the Commencement Date, the annual installments on the Series 2004A-1 Special Assessments becoming due from and after the Commencement Date shall be collected by the District utilizing the Uniform Method of Collection.

(b) At any time any owner of property subject to the Series 2004A-1 Special Assessments may, at its option, or shall by operation of law, require the Issuer to reduce or release and extinguish, as applicable, the lien upon its property by virtue of the levy of the Series 2004A-1 Special Assessments by paying or causing there to be paid, to the Issuer all of the Series 2004A-1 Special Assessments, which shall constitute 2004A-1 Prepayment Principal, attributable to the

property subject to the Series 2004A-1 Special Assessments owned by such owner through the next May 1.

(c) Upon receipt of a Prepayment as described in paragraph (b) above, subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such action as is necessary to record in the official improvement lien book of the Issuer that the Series 2004A-1 Special Assessment has been paid in whole or in part and that such Series 2004A-1 Special Assessment lien is thereby reduced, or released and extinguished, as the case may be.

(d) At any time any owner of property subject to the Series 2004A-2 Special Assessments may, at its option, or shall by operation of law, require the Issuer to reduce or release and extinguish, as applicable, the lien upon its property by virtue of the levy of the Series 2004A-2 Special Assessments by paying or causing there to be paid, to the Issuer all of the Series 2004A-2 Special Assessments, which shall constitute 2004A-2 Prepayment Principal, attributable to the property subject to the Series 2004A-2 Special Assessments owned by such owner through the next May 1.

(e) Upon receipt of a Prepayment as described in paragraph (d) above, subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such action as is necessary to record in the official improvement lien book of the Issuer that the Series 2004A-2 Special Assessment has been paid in whole or in part and that such Series 2004A-2 Special Assessment lien is thereby reduced, or released and extinguished, as the case may be.

Section 303 Series 2004A-1/2 Bonds Subject to Redemption. The Series 2004A-1/2 Bonds are subject to redemption prior to maturity as provided in the form thereof set forth as Exhibit A to this Third Supplemental Indenture. If less than all of the Series 2004A-1/2 Bonds are to be redeemed, the Trustee shall select the Series 2004A-1/2 Bonds or portions thereof to be redeemed by lot. Notice of redemption shall be given as provided in the Master Indenture.

ARTICLE IV ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF

Section 401 Establishment of Accounts.

(a) The Funds and Accounts established under the Original Indenture shall remain open for the benefit of the Unexchanged Series 2004A Bonds while the Unexchanged Series 2004A Bonds remain outstanding; however, the amounts on deposit therein shall be transferred into the Funds and Accounts established hereby in accordance with Section 402 hereof for the benefit of the Series 2004A-1/2 Bonds.

(b) There are hereby established within the Debt Service Fund held by the Trustee: (i) a 2004A-1/2 Debt Service Account, a 2004A-1 Sinking Fund Account, a 2004A-2 Sinking Fund Account, a 2004A-1 Interest Account and a 2004A-2 Interest Account; and (ii) a 2004A-1/2

Redemption Account, and, therein a 2004A-1 Prepayment Subaccount, a 2004A-2 Prepayment Subaccount and an Optional Redemption Subaccount.

(c) There is hereby established within the Revenue Fund held by the Trustee a 2004A-1 Revenue Account and a 2004A-2 Revenue Account.

(d) There is hereby established within the Reserve Fund held by the Trustee a 2004A-1 Reserve Account and a 2004A-2 Reserve Account.

(e) There is hereby established within the Rebate Fund held by the Trustee a 2004A-1 Rebate Account and a 2004A-2 Rebate Account.

(f) There is hereby established within the Acquisition and Construction Fund held by the Trustee a 2004A-1/2 Costs of Issuance Account.

Section 402 Transfer and/or Application of Funds. (a) The Final Parcels Sale Proceeds, if paid, shall be deposited into the 2004A-1 Revenue Account. The Forbearance Termination Payment shall be deposited into the 2004A-2 Revenue Account.

(b) The amounts on deposit in the Funds and Accounts held under the Original Indenture shall be transferred into the Funds and Accounts established hereby or otherwise applied as set forth below:

- (i) \$125,124.26 on deposit in the 2004 Revenue Account shall be transferred to the 2004A-2 Revenue Account;
- (ii) \$0.15 on deposit in the 2004A Interest Account shall be transferred to the 2004A-2 Interest Account;
- (iii) \$32,987.62 on deposit in the 2004A Reserve Account shall be transferred to the 2004A-1/2 Costs of Issuance Account (it being understood that the Bondholder has agreed to fund certain costs of issuance in excess of such amount in the 2004A-1/2 Costs of Issuance Account via payments made outside of the Trust Estate);
- (iv) \$3,489.99 on deposit in the 2004A Prepayment Subaccount shall be transferred to the 2004A-1 Prepayment Subaccount; and
- (v) All other funds shall remain in their respective Funds and Accounts pursuant to the Original Indenture.

(c) Additionally, on the date of issuance of the Series 2004A-1/2 Bonds, from funds provided by the Bondholder, the Trustee shall deposit \$410,859 into the 2004A-2 Reserve Account, representing the 2004A-2 Reserve Account Requirement.

Section 403 Reserve Accounts.

(a) The 2004A-1 Reserve Account, to the extent funded, shall be funded with 2004A-1/2 Investment Obligations. After the Conversion Date, amounts on deposit in the

2004A-1 Reserve Account shall be used only for the purpose of making payments into the 2004A-1 Interest Account and the 2004A-1 Sinking Fund Account to pay Debt Service on the Series 2004A-1 Bonds, when due, without privilege or priority of one Series 2004A-1 Bond over another, to the extent the moneys on deposit in such Account therein and available therefor are insufficient and for no other purpose.

After the Conversion Date, on the earliest date on which there is on deposit in the 2004A-1 Reserve Account, sufficient moneys, taking into account other moneys available therefor, to pay and redeem all of the Outstanding Series 2004A-1 Bonds, together with accrued interest and redemption premium, if any, on such Series 2004A-1 Bonds to the earliest date of redemption permitted herein, the Trustee shall transfer the amount on deposit in the 2004A-1 Reserve Account into the 2004A-1 Prepayment Subaccount to pay and redeem all of the Outstanding Series 2004A-1 Bonds on the earliest date permitted for redemption herein and therein.

(b) The 2004A-2 Reserve Account shall be funded with 2004A-1/2 Investment Obligations. Amounts on deposit in the 2004A-2 Reserve Account shall be used only for the purpose of making payments into the 2004A-2 Interest Account and the 2004A-2 Sinking Fund Account to pay Debt Service on the Series 2004A-2 Bonds, when due, without privilege or priority of one Series 2004A-2 Bond over another, to the extent the moneys on deposit in such Account therein and available therefor are insufficient and for no other purpose.

On the earliest date on which there is on deposit in the 2004A-2 Reserve Account, sufficient moneys, taking into account other moneys available therefor, to pay and redeem all of the Outstanding Series 2004A-2 Bonds, together with accrued interest and redemption premium, if any, on such Series 2004A-2 Bonds to the earliest date of redemption permitted herein, the Trustee shall transfer the amount on deposit in the 2004A-2 Reserve Account into the 2004A-2 Prepayment Subaccount to pay and redeem all of the Outstanding Series 2004A-2 Bonds on the earliest date permitted for redemption herein and therein.

Section 404 2004A-1/2 Costs of Issuance Account.

The amount deposited in the 2004A 1/2 Costs of Issuance Account shall, at the written direction of an Authorized Officer to the Trustee, be used to pay the costs relating to the Trifurcation pursuant to the requisition in the form attached hereto as Exhibit D.

Section 405 Amortization Installments; Order of Redemption.

(a) The Amortization Installments are established for the Series 2004A-1/2 Bonds and shall be as set forth in the forms of Bonds attached hereto as Exhibit A as may be modified by Section 301(c), Section 405(b) and Section 405(c) hereof.

(b) After the Conversion Date, upon any redemption of Series 2004A-1 Bonds (other than Series 2004A-1 Bonds redeemed in accordance with scheduled Amortization Installments and other than the Series 2004A-1 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 revised Amortization Installments recalculated so as to amortize the Outstanding Series 2004A-1 Bonds in substantially equal annual

installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2004A-1 Bonds.

(c) Upon any redemption of Series 2004A-2 Bonds (other than Series 2004A-2 Bonds redeemed in accordance with scheduled Amortization Installments and other than the Series 2004A-2 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 revised Amortization Installments recalculated so as to amortize the Outstanding Series 2004A-2 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2004A-2 Bonds.

Section 406 Application of Revenues and Investment Earnings.

(a) The Trustee shall deposit into the 2004A-1 Revenue Account any and all amounts required to be deposited therein by this Section 406 or by any other provision of the Master Indenture or this Third 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 2004A-1 Revenue Account shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee.

(b) The Trustee shall deposit into the 2004A-2 Revenue Account any and all amounts required to be deposited therein by this Section 406 or by any other provision of the Master Indenture or this Third 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 2004A-2 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.

(c) The District shall deposit the Final Parcels Sale Proceeds, if any, with the Trustee immediately upon receipt and the Trustee shall deposit into the 2004A-1 Revenue Account.

(d) The District shall deposit the Forbearance Termination Payment with the Trustee immediately upon receipt and the Trustee shall deposit into the 2004A-2 Revenue Account.

(e) The District shall deposit Series 2004A-1 Special Assessments with the Trustee immediately upon receipt together with a written accounting setting forth the amounts of such Series 2004A-1 Special Assessments in the following categories which shall be deposited by the Trustee into the Funds and Accounts established hereunder as follows:

(i) 2004A-1 Assessment Principal, which shall be deposited into the 2004A-1 Sinking Fund Account;

(ii) 2004A-1 Assessment Interest, which shall be deposited into the 2004A-1 Interest Account;

(iii) 2004A-1 Prepayment Principal, which shall be deposited into the 2004A-1 Prepayment Subaccount in the 2004A-1/2 Redemption Account;

(iv) Delinquent Assessment Principal, which shall first be applied to restore the amount of any withdrawal from the 2004A-1 Reserve Account to pay the principal of the Series 2004A-1 Bonds, and, the balance, if any, shall be deposited into the 2004A-1 Sinking Fund Account;

(v) Delinquent Assessment Interest, which shall first be applied to restore the amount of any withdrawal from the 2004A-1 Reserve Account to pay the interest on the Series 2004A-1 Bonds, and, the balance, if any, deposited into the 2004A-1 Revenue Account; and

(vi) all other 2004A-1 Assessment Revenues, which shall be deposited into the 2004A-1 Revenue Account.

Moneys other than the Final Parcels Sale Proceeds and 2004A-1 Assessment Revenues, shall, at the written direction of the District be deposited into the Optional Redemption Subaccount of the 2004A-1/2 Redemption Account and used to pay the principal of and premium, if any (or the Accreted Value prior to the Conversion Date), on the Series 2004A-1 Bonds called or to be called for redemption at the written direction of the District in accordance with the provisions for redemption of the Series 2004A-1 Bonds as set forth in the form of the Series 2004A-1 Bonds attached hereto.

(f) The District shall deposit the Series 2004A-2 Special Assessments with the Trustee immediately upon receipt together with a written accounting setting forth the amounts of such Series 2004A-2 Special Assessments in the following categories which shall be deposited by the Trustee into the Funds and Accounts established hereunder as follows:

(i) 2004A-2 Assessment Principal, which shall be deposited into the 2004A-2 Sinking Fund Account;

(ii) 2004A-2 Assessment Interest, which shall be deposited into the 2004A-2 Interest Account;

(iii) 2004A-2 Prepayment Principal, which shall be deposited into the 2004A-2 Prepayment Subaccount in the 2004A-1/2 Redemption Account;

(iv) 2004A-2 Delinquent Assessment Principal, which shall first be applied to restore the amount of any withdrawal from the 2004A-2 Reserve Account to pay the principal of the Series 2004A-2 Bonds, and, the balance, if any, shall be deposited into the 2004A-2 Sinking Fund Account;

(v) Delinquent Assessment Interest, which shall first be applied to restore the amount of any withdrawal from the 2004A-2 Reserve Account to pay the interest on the Series 2004A-2 Bonds, and, the balance, if any, deposited into the 2004A-2 Revenue Account; and

(vi) all other 2004A-2 Assessment Revenues, which shall be deposited into the 2004A-2 Revenue Account.

Moneys other than the Forbearance Termination Payment and 2004A-2 Assessment Revenues, shall, at the written direction of the District be deposited into the Optional Redemption Subaccount of the 2004A-1/2 Redemption Account and used to pay the principal of and premium, if any, on the Series 2004A-2 Bonds called or to be called for redemption at the written direction of the District in accordance with the provisions for redemption of the Series 2004A-2 Bonds as set forth in the form of the Series 2004A-2 Bonds attached hereto.

(g) On each March 15 and September 15 (or if such March 15 or September 15 is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the 2004A-1 Prepayment Subaccount of the 2004A-1/2 Redemption Account and, if the balance therein is greater than zero, shall transfer from the 2004A-1 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 2004A-1 Bonds on the next succeeding Interest Accrual Date or Interest Payment Date, as the case may be, 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 2004A-1 Bonds set forth in the respective form of the Series 2004A-1/2 Bond attached hereto, Article III hereof, and Article III of the Master Indenture.

(h) On each March 15 and September 15 (or if such March 15 or September 15 is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the 2004A-2 Prepayment Subaccount of the 2004A-1/2 Redemption Account and, if the balance therein is greater than zero, shall transfer from the 2004A-2 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 2004A-2 Bonds on the next succeeding Interest Payment 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 2004A-2 Bonds set forth in the respective form of the Series 2004A-1/2 Bond attached hereto, Article III hereof, and Article III of the Master Indenture.

(i) After the Conversion Date, on each May 1 (or if such May 1 is not a Business Day, on the Business Day preceding such May 1), the Trustee shall transfer from amounts on deposit in the 2004A-1 Revenue Account to the Funds and Accounts designated below, the following amounts in the following order of priority:

FIRST, from the 2004A-1 Revenue Account to the 2004A-1 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all Series 2004A-1 Bonds, then Outstanding on such May 1 or the next successive November 1, less any amounts already on deposit in the 2004A-1 Interest Account not previously credited;

SECOND, to the 2004A-1 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all the Series 2004A-1 Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the 2004A-1 Sinking Fund Account not previously credited;

THIRD, to the 2004A-1 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the 2004A-1 Reserve Account Requirement (if there is one) with respect to the Series 2004A-1 Bonds; and

FOURTH, the balance shall be retained in the 2004A-1 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.

(j) Prior to the Conversion Date, the Trustee shall transfer from amounts on deposit in the 2004A-1 Revenue Account to the Funds and Accounts designated below, the following amounts in the following order of priority:

FIRST, at any time the series 2004A-1 Bonds are subject to redemption, the Trustee shall be authorized to transfer the Series 2004A-1 Interest Account of the amount necessary to pay interest on the Series 2004A-1 Bonds subject to redemption on such date.

(k) On each May 1 (or if such May 1 is not a Business Day, on the Business Day preceding such May 1), the Trustee shall transfer from amounts on deposit in the 2004A-2 Revenue Account to the Funds and Accounts designated below, the following amounts in the following order of priority:

FIRST, from the 2004A-2 Revenue Account to the 2004A-2 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all Series 2004A-2 Bonds, then Outstanding on such May 1 or the next successive November 1, less any amounts already on deposit in the 2004A-2 Interest Account not previously credited;

SECOND, to the 2004A-2 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all the Series 2004A-2 Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the 2004A-2 Sinking Fund Account not previously credited;

THIRD, to the 2004A-2 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the 2004A-2 Reserve Account Requirement (if there is one) with respect to the Series 2004A-2 Bonds; and

FOURTH, the balance shall be retained in the 2004A-2 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.

(l) After the Conversion Date, within ten (10) Business Days after the last Interest Payment Date in each calendar year, the Trustee shall, at the written direction of the District, withdraw any moneys held for the credit of the 2004A-1 Revenue Account which are not otherwise required to be deposited to other 2004A-1 Pledged Funds and Accounts pursuant to this Article and deposit such moneys *first* to the credit of the 2004A-1 Rebate Account in the amount, and to

the extent necessary, so the amount on deposit therein equals the accrued rebate obligation under Section 148(f) of the Code, if the Trustee has received certification from the District by such date detailing the amount of such obligation which shall be deposited, and *thereafter* to the District to be used to pay the operating and administrative costs and expense of the District; provided, however, that on the date of such transfer the amount on deposit in the 2004A-1 Reserve Account shall be equal to the 2004A-1 Reserve Account Requirement (if there is one), and provided further, that the Trustee shall not have actual knowledge of an Event of Default under the Master Indenture or hereunder relating to any of the Series 2004A-1/2 Bonds, including payment of Trustee's fees and expenses then due.

(m) Within ten (10) Business Days after the last Interest Payment Date in each calendar year, the Trustee shall, at the written direction of the District, withdraw any moneys held for the credit of the 2004A-2 Revenue Account which are not otherwise required to be deposited to other 2004A-2 Pledged Funds and Accounts pursuant to this Article and deposit such moneys *first* to the credit of the 2004A-2 Rebate Account in the amount, and to the extent necessary, so the amount on deposit therein equals the accrued rebate obligation under Section 148(f) of the Code, if the Trustee has received certification from the District by such date detailing the amount of such obligation which shall be deposited, and *thereafter* to the District to be used to pay the operating and administrative costs and expense of the District; provided, however, that on the date of such transfer the amount on deposit in the 2004A-2 Reserve Account shall be equal to the 2004A-2 Reserve Account Requirement (if there is one), and provided further, that the Trustee shall not have actual knowledge of an Event of Default under the Master Indenture or hereunder relating to any of the Series 2004A-1/2 Bonds, including payment of Trustee's fees and expenses then due.

(n) 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 Series 2004A-1/2 Bonds shall be invested only in 2004A-1/2 Investment Obligations. Earnings on investments in the 2004A-1 Sinking Fund Account and the 2004A-1/2 Redemption Account shall be deposited, as realized, to the credit of the 2004A-1 Revenue Account and used for the purpose of such Account. Earnings on investments in the 2004A-2 Sinking Fund Account and the 2004A-1/2 Redemption Account shall be deposited, as realized, to the credit of the 2004A-2 Revenue Account and used for the purpose of such Account.

Earnings on investments in the 2004A-1 Reserve Account shall be deposited into the 2004A-1 Revenue Account. Earnings on investments in the 2004A-2 Reserve Account shall be deposited into the 2004A-2 Revenue Account.

ARTICLE V CONCERNING THE TRUSTEE

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

Section 502 Limitation of Trustee's Responsibility. The Trustee shall not be responsible in any manner for the due execution of this Third 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 Third Supplemental Indenture, nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article VI thereof.

Section 504 Patriot Act Requirements of the Trustee. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust, or other legal entity, the Trustee will ask for documentation to verify such non-individual person's formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

Section 505 Brokerage Confirmations. The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive individual confirmations of security transactions at no additional cost, as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

ARTICLE VI ADDITIONAL BONDS

Section 601 Parity Bonds. The District covenants and agrees that so long as there are any Series 2004A-1/2 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Series 2004A-1 Trust Estate or the Series 2004A-2 Trust Estate, respectively; provided, however, that the District reserves the right to issue bonds, notes or other obligations payable from or secured by the Series 2004A-1 Trust Estate or the Series 2004A-2 Trust Estate, respectively, pledged to the Series 2004A-1/2 Bonds, but only so long as such bonds, notes or other obligations are not entitled to a lien upon or charge against the Series 2004A-1 Trust Estate or the Series 2004A-2 Trust Estate equal or prior to the lien of this Third Supplemental Indenture securing the Series 2004A-1/2 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 Third Supplemental Indenture on such Series 2004A-1 Trust Estate or the Series 2004A-2 Trust Estate and the rights and remedies of the holders of such subordinate debt to payment and upon default thereon and under any installment 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 Series 2004A-1/2 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 Third Supplemental Indenture, the Master Indenture is in all respects ratified and confirmed, and this Third 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 Third Supplemental Indenture and to the Series 2004A-1/2 Bonds issued hereunder.

Section 702 Continuing Disclosure Agreement. Contemporaneously with the execution and delivery hereof the District has executed and delivered an Acknowledgment of 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 Acknowledgment of 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 Third Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2004A-1/2 Special Assessments and to confirm and collect the Series 2004A-1 Special Assessments and the Series 2004A-2 Special Assessments, and required payments under the "true up mechanism" as provided in the Series 2004 Assessment Methodology Report, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2004A-1/2 Bonds when due.

Section 704 Collection of Assessments. Anything herein or in the Master Indenture to the contrary notwithstanding, the Assessments and the interest thereon may be collected directly by the District and are not required to be collected utilizing the Uniform Method of Collection to the extent such Assessments are levied on unplatted District Lands. Following an Event of Default, the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Series 2004A-1 Bonds Outstanding or the Series 2004A-2 Bonds Outstanding, as the case may be, may direct the District as to the collection method to be used by it with respect to the relevant Series 2004A-1/2 Bonds.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, CFM Community Development District has caused these presents to be signed in its name and on its behalf by its Chairperson, and its official seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized officer, and its corporate seal to be hereunto affixed.

**CFM COMMUNITY DEVELOPMENT
DISTRICT**

SEAL

By: _____
Chairperson, Board of Supervisors

Attest:

By: _____
Assistant Secretary

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

SEAL

By: _____
Authorized Signatory

STATE OF FLORIDA)
) SS:
COUNTY OF LEE)

On this _____ day of August, 2019, before me, a notary public in and for the State and County aforesaid, personally appeared [Leah Popelka] and [_____], the Chairperson and an Assistant Secretary, respectively, of the Board of Supervisors of CFM Community Development District, who acknowledged that they did sign the foregoing instrument as such officers, respectively, for and on behalf of CFM Community Development District; that the same is their free act and deed as such officers, respectively, and the free act and deed of CFM Community Development District; and that the seal affixed to said instrument is the seal of CFM Community Development District.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year in this certificate first above written.

Notary Public, State of Florida

My Commission expires:

[NOTARIAL SEAL]

STATE OF FLORIDA)
) SS:
COUNTY OF LEE)

On this _____ day of August, 2019, before me, a notary public in and for the State and County aforesaid, personally appeared _____ of U.S. Bank, National Association, as Trustee, who acknowledged that she did sign said instrument as such officer for and on behalf of said corporation; that the same is her free act and deed as such officer and the free act and deed of said corporation; and that the seal affixed to said instrument is the seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year in this certificate first above written.

Notary Public, State of Florida

My Commission expires:

[NOTARIAL SEAL]

EXHIBIT A
FORMS OF SERIES 2004A-1/2 BONDS

EXHIBIT A-1-A

FORM OF SERIES 2004A-1 BONDS

(CONVERTIBLE CAPITAL APPRECIATION BOND)

No. RA1-1

Initial Principal: [\$7,612,827]

**UNITED STATES OF AMERICA
STATE OF FLORIDA
CFM COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES
(CONVERTIBLE CAPITAL APPRECIATION BOND) 2004A-1**

| Interest Rate | Maturity Date | Maturity Amount | Dated Date | CUSIP NO. |
|--------------------------|--------------------------|----------------------------|-----------------------|------------------|
| 6.25% | May 1, 2035 | [\$8,195,000] | [August 1, 2019] | 15721RAD8 |

Registered Owner: CEDE & CO.

Initial Principal Amount: [SEVEN MILLION SIX HUNDRED TWELVE THOUSAND EIGHT HUNDRED TWENTY-SEVEN DOLLARS AND 00/100]

Maturity Amount: [EIGHT MILLION ONE HUNDRED NINETY-FIVE THOUSAND DOLLARS AND 00/100]

CFM COMMUNITY DEVELOPMENT DISTRICT, a community development district duly created, 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, or unless this Bond shall be converted to a Current Interest Bond on the first May 1 or November 1 after the Conversion Date, in accordance with the Indenture, the Maturity Amount. Interest on this Bond shall accrue on each Interest Accrual Date from the Dated Date until the Maturity Date (unless sooner paid or redeemed) and be added to the principal thereof. Except when registration of this Bond is being maintained pursuant to a book-entry only system of registration, any payment of Maturity Amount or Redemption Price shall be made only upon presentation hereof (except while the herein described Series 2004A-1 Bonds are in book-entry form in which case presentation shall not be required) at the designated corporate trust office of U.S. Bank National Association, as paying agent (said bank and/or any bank or trust company to become successor paying agent being herein called the "Paying Agent"), located in Orlando, Florida.

Capitalized terms used and not otherwise defined herein shall have the meaning ascribed to such terms in the Indenture hereinafter referred to.

This Bond is one of a duly authorized issue of Bonds of the District designated "Capital Improvement Revenue Bonds, Series 2004A-1 (Convertible Capital Appreciation Bond)" (the "Series 2004A-1 Bonds"), issued as convertible capital appreciation bonds in the initial principal amount of \$[7,612,827] together with the District's \$[8,285,000] Capital Improvement Revenue Bonds, Series 2004A-2 (the "Series 2004A-2 Bonds" and, collectively with the Series 2004A-1 Bonds, the "Bonds"), under a Master Trust Indenture, dated as of July 1, 2003 (as amended from time to time, the "Master Indenture"), between the District and the Trustee, as amended and supplemented by a Third Supplemental Indenture, dated as of [August 1, 2019] (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").

As described in the Indenture, the Series 2004A-1 Bonds are being issued in exchange for \$[7,612,827.20] in principal amount of the Exchanged Bonds in order to effectuate the Trifurcation.

THIS BOND SHALL NOT 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 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 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 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE, OR THE BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2004A-1 PLEDGED REVENUES AND THE 2004A-1 PLEDGED FUNDS PLEDGED TO THE BONDS, ALL AS PROVIDED HEREIN, IN THE MASTER INDENTURE AND IN THE SUPPLEMENTAL INDENTURE.

This Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes, as amended, and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the 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 Maturity Amount and Redemption Price of, the Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of Series 2004A-1 Special Assessments, the terms and conditions under which the Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Owners of the Bonds, and, by the acceptance of this Bond, the Owner hereof assents to all of the provisions of the Indenture. The Bonds are equally and ratably secured by the Series 2004A-1 Trust Estate, without preference or priority of one Bond over

another. The Supplemental Indenture does not authorize the issuance of any additional Bonds ranking on a parity with the Bonds.

The 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 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 Miami, 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 Miami, Florida, in the manner and subject to the limitations and conditions provided in the Indenture and without cost, except for any tax or other governmental charge, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate or rates.

The Series 2004A-1 Bonds are not subject to optional redemption prior to the Conversion Date.

Prior to the Conversion Date, the Series 2004A-1 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on each May 1, in the manner determined by the Bond Registrar in an amount of the Accreted Value of the Series 2004A-1 Bonds or a portion thereof to be redeemed, if and to the extent that any one or more of the following shall have occurred:

(a) from Prepayments (as defined in the Indenture) deposited into the 2004A-1 Prepayment Subaccount of the 2004A-1/2 Redemption Account; or

(b) from amounts on deposit in the 2004A-1 Reserve Account, together with other moneys available therefor, sufficient to pay and redeem all of the Series 2004A-1 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Bonds of a Series shall be called for redemption, the particular Bonds or portions of 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 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to each registered Owner of 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 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

Bonds or such portions thereof on such date, interest on such Bonds or such portions thereof so called for redemption shall cease to accrue, such 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 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 Series 2004A-1 Bonds shall be subject to Conversion from Capital Appreciation Bonds to Current Interest Bonds as provided in the Indenture.

Mandatory Conversion

The Series 2004A-1 Bonds shall be converted from Capital Appreciation Bonds to Current Interest Bonds in whole, and not in part, on the Conversion Date. Promptly, but in any event no later than within ten (10) Business Days, prior to the Conversion Date, the District shall send written notice (the "Mandatory Conversion Notice") to the Trustee and the Owners of the Series 2004A-1 Bonds which states: (i) that a Conversion Date has been established, (ii) that the Series 2004A-1 Bonds are subject to Conversion from Capital Appreciation Bonds to Current Interest Bonds on the Conversion Date, (iii) the Conversion Date, and (iv) if the Series 2004A-1 Bonds are not then held by a Bond Depository, the place or places where each Owner is required to tender, on the Conversion Date, its Capital Appreciation Bonds in exchange for Current Interest Bonds; provided, however, that if such tender information is not available to the District at the time of mailing of the Mandatory Conversion Notice, then the District may provide such information in a separate notice sent to the Trustee and the Owners of the Series 2004A-1 Bonds no less than five (5) Business Days prior to the Conversion Date. The Mandatory Conversion Notice shall be accompanied by: (x) a schedule setting forth the Amortization Installments for the Current Interest Bonds pursuant to Section 301(d) of the Third Supplemental Indenture and (y) a Cash Flow Certificate.

Execution and Delivery of Current Interest Bonds

The Issuer shall execute and deliver to the Trustee for its receipt not less than two (2) Business Days prior to the Conversion Date, Current Interest Bonds in substantially the form attached to the Third Supplemental Indenture, and the Trustee is hereby directed to authenticate such Current Interest Bonds and deliver the same to the Owners of Series 2004A-1 Bonds in exchange for the then Outstanding Capital Appreciation Bonds on the Conversion Date. The Current Interest Bonds shall initially be in the form of one fully-registered bond without coupons in an aggregate principal amount equal to the Maturity Amount of the Series 2004A-1 Bonds, rounded up to the nearest \$5,000 interval; provided, however, that if the Series 2004A-1 Bonds are not then held by a Bond Depository then physical bonds shall be delivered to the registered Owners as their names appear on the Bond Register maintained by the Registrar as of the close of business on the Regular Record Date. The Current Interest Bonds shall bear interest at the same fixed interest rate per annum and shall mature on the same date as the Capital Appreciation Bonds for which the Current Interest Bonds are issued in exchange for (which interest rate and maturity

date are set forth in Section 202 of the Third Supplemental Indenture). The Current Interest Bonds shall be delivered in Authorized Denominations and shall be numbered consecutively from 2004A-1-R-1 and upwards.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, including particularly the Act, and that the issuance of this Bond, and of the issue of the Bonds of which this Bond is one, is in full compliance with all constitutional and statutory limitations or provisions.

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

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the 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, the Supplemental Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

Any moneys held by the Trustee or 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.

If the District deposits or causes to be deposited with the Trustee funds 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 Bonds as to the Series 2004A-1 Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

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

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

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

IN WITNESS WHEREOF, CFM Community Development District has caused this Bond to bear the signature of the Chairperson 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:

**CFM COMMUNITY DEVELOPMENT
DISTRICT**

Assistant Secretary, Board of Supervisors

By: _____
Chairperson, Board of Supervisors

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

Date of Authentication:

U.S. BANK, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court for Lee County, Florida, rendered on May 13, 2002.

Attest:

**CFM COMMUNITY DEVELOPMENT
DISTRICT**

Assistant Secretary, Board of Supervisors

By: _____
Chairperson, Board of Supervisors

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 with the right of survivorship and not as tenants in common

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

UNIFORM GIFT MIN ACT - _____ Custodian _____ under
Uniform Gifts to Minors Act

(Cust) (Minor) (State)

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

So long as the District maintains the book-entry only system for the Bonds, unless this certificate is presented by an authorized representative of The Depository Trust Company to the District or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by the authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

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

Dated: _____

Social Security Number or Employer
Identification Number of Transferee:

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

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

EXHIBIT A-1-B

FORM OF SERIES 2004A-1 BONDS

(CURRENT INTEREST BONDS)

[No. RA1-1]

[\$8,195,000]

**UNITED STATES OF AMERICA
STATE OF FLORIDA
CFM COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2004A-1**

| Interest Rate | Maturity Date | Dated Date | CUSIP NO. |
|--------------------------|--------------------------|-----------------------|------------------|
| 6.25% | May 1, 2035 | [August 1, 2019] | 15721RAD8 |

Registered Owner: CEDE & CO.

Principal Amount: [EIGHT MILLION ONE HUNDRED AND NINETY-FIVE THOUSAND] DOLLARS

CFM COMMUNITY DEVELOPMENT DISTRICT, a community development district duly created, 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) on the Maturity Date set forth above (or date of redemption, if earlier) and 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, 2019, until payment of said principal sum has been made or provided for, at the rate per annum set forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (as hereinafter defined), be paid to the registered Owner hereof at the close of business on the regular record date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date, 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, interest or Redemption Price shall be made only upon presentation hereof at the designated corporate trust office of Wachovia Bank, National Association, located in Miami, 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 Series 2004A-1 Bonds, as defined below. Interest on this Bond will be computed on the basis of a 360-day year of twelve 30-day months.

Capitalized terms used and not otherwise defined herein shall have the meaning ascribed to such terms in the Indenture hereinafter referred to.

This Bond is one of a duly authorized issue of Bonds of the District designated "Capital Improvement Revenue Bonds, Series 2004A-1 (Convertible Capital Appreciation Bonds)" (the "Series 2004A-1 Bonds"), initially issued as convertible capital appreciation bonds in the initial principal amount of \$[7,612,827] together with the District's \$[8,285,000] Capital Improvement Revenue Bonds, Series 2004A-2 (the "Series 2004A-2 Bonds" and, collectively with the Series 2004A-1 Bonds, the "Bonds"), under a Master Trust Indenture, dated as of July 1, 2003 (as amended from time to time, the "Master Indenture"), between the District and the Trustee, as amended and supplemented by an Third Supplemental Indenture, dated as of [August 1, 2019] (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"). In accordance with the provisions of the Indenture, the Series 2004A Bonds were converted from Capital Appreciation Bonds to Current Interest Bonds on November 1, 2020 (the "Conversion Date").

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 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 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE, OR THE BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2004A-1 PLEDGED REVENUES

AND THE 2004A-1 PLEDGED FUNDS PLEDGED TO THE BONDS, ALL AS PROVIDED HEREIN, IN THE MASTER INDENTURE AND IN THE SUPPLEMENTAL INDENTURE.

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 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 Series 2004A-1 Special Assessments, the terms and conditions under which the Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Owners of the Bonds, and, by the acceptance of this Bond, the Owner hereof assents to all of the provisions of the Indenture. The Bonds are equally and ratably secured by the Series 2004A-1 Trust Estate, without preference or priority of one Bond over another. The Supplemental Indenture does not authorize the issuance of any additional Bonds ranking on a parity with the Bonds.

The 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 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 Miami, 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 Miami, Florida, in the manner and subject to the limitations and conditions provided in the Indenture and without cost, except for any tax or other governmental charge, 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.

After the Conversion Date, the Series 2004A-1 Bonds may, at the option of the District be called for redemption as a whole, at any time, or in part on any Interest Payment Date, (less than all Series 2004A-1 Bonds to be selected by lot), at the Redemption Prices (expressed as percentages of principal amount) set forth in the following table plus accrued interest from the most recent Interest Payment Date to the redemption date:

| Redemption Periods (Dates Inclusive) | Redemption Prices |
|---|------------------------------|
| May 1, 2015 and thereafter | 100% |

After the Conversion Date, the Series 2004A-1 Bonds are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the 2004A-1 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:

| Year | Amortization Installments |
|-------------|----------------------------------|
| 2021 | \$340,000 |
| 2022 | 365,000 |
| 2023 | 385,000 |
| 2024 | 410,000 |
| 2025 | 435,000 |
| 2026 | 465,000 |
| 2027 | 495,000 |
| 2028 | 530,000 |
| 2029 | 560,000 |
| 2030 | 600,000 |
| 2031 | 635,000 |
| 2032 | 675,000 |
| 2033 | 720,000 |
| 2034 | 765,000 |
| 2035* | 815,000 |

* Maturity

As more particularly set forth in the Master Indenture and Supplemental Indenture, any Series 2004A-1 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of the Series 2004A-1 Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of Series 2004A-1 Bonds so as to reamortize the remaining Outstanding principal balance of the Series 2004A-1 Bonds as set forth in the Supplemental Indenture.

After the Conversion Date, the Series 2004A-1 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:

(c) from Prepayments (as defined in the Indenture) deposited into the 2004A-1 Prepayment Subaccount of the 2004A-1/2 Redemption Account; or

(c) from amounts on deposit in the 2004A-1 Reserve Account, together with other moneys available therefor, sufficient to pay and redeem all of the Series 2004A-1 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Bonds of a Series shall be called for redemption, the particular Bonds or portions of 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 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to each registered Owner of 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 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 Bonds or such portions thereof on such date, interest on such Bonds or such portions thereof so called for redemption shall cease to accrue, such 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 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 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 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, the Supplemental Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

Any moneys held by the Trustee or 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.

If the District deposits or causes to be deposited with the Trustee funds 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 Bonds as to the Series 2004A-1

Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

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

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

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

IN WITNESS WHEREOF, CFM Community Development District has caused this Bond to bear the manual or facsimile signature of the Chairperson of its Board of Supervisors and its seal to be imprinted hereon and attested by the manual or facsimile signature of the Secretary to the Board of Supervisors, all as of the date hereof.

Attest:

**CFM COMMUNITY DEVELOPMENT
DISTRICT**

Assistant Secretary, Board of Supervisors

By: _____
Chairperson, Board of Supervisors

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

Date of Authentication:

U.S. BANK, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court for Lee County, Florida, rendered on May 13, 2002.

Attest:

**CFM COMMUNITY DEVELOPMENT
DISTRICT**

Assistant Secretary, Board of Supervisors

By: _____
Chairperson, Board of Supervisors

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 with the right of survivorship and not as tenants in common

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

UNIFORM GIFT MIN ACT - _____ Custodian _____ under
Uniform Gifts to Minors Act

(Cust) (Minor) (State)

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

So long as the District maintains the book-entry only system for the Bonds, unless this certificate is presented by an authorized representative of The Depository Trust Company to the District or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by the authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

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

Dated: _____

Social Security Number or Employer
Identification Number of Transferee:

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

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

EXHIBIT A-2

FORM OF SERIES 2004A-2 BONDS

No. RA2-1

\$8,285,000

**UNITED STATES OF AMERICA
STATE OF FLORIDA
CFM COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2004A-2**

| <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Dated Date</u> | <u>CUSIP NO.</u> |
|--------------------------|--------------------------|-----------------------|------------------|
| 6.25% | May 1, 2035 | [August 1, 2019] | 15721RAE6 |

Registered Owner: CEDE & CO.

Principal Amount: EIGHT MILLION TWO HUNDRED EIGHTY-FIVE THOUSAND DOLLARS

CFM COMMUNITY DEVELOPMENT DISTRICT, a community development district duly created, 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) on the Maturity Date set forth above (or date of redemption, if earlier) and 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, 2019, until payment of said principal sum has been made or provided for, at the rate per annum set forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (as hereinafter defined), be paid to the registered Owner hereof at the close of business on the regular record date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date, 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, interest or Redemption Price shall be made only upon presentation hereof at the designated corporate trust office of Wachovia Bank, National Association, located in Miami, 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 Series 2004A-2 Bonds, as defined below). Interest on this Bond will be computed on the basis of a 360-day year of twelve 30-day months.

Capitalized terms used and not otherwise defined herein shall have the meaning ascribed to such terms in the Indenture hereinafter referred to.

This Bond is one of a duly authorized issue of Bonds of the District designated "Capital Improvement Revenue Bonds, Series 2004A-2" (the "Series 2004A-2 Bonds"), issued in the aggregate principal amount of \$[8,285,000] together with the District's initial principal amount of \$[7,612,827.20] of Capital Improvement Revenue Bonds, Series 2004A-1 (Convertible Capital Appreciation Bonds) (the "Series 2004A-1 Bonds" and, collectively with the Series 2004A-2 Bonds, the "Bonds"), under a Master Trust Indenture, dated as of July 1, 2003 (the "Master Indenture"), between the District and the Trustee, as amended and supplemented by a Third Supplemental Indenture, dated as of August 1, 2019 (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").

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 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 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE, OR THE BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2004A-2 PLEDGED REVENUES AND THE 2004A-2 PLEDGED FUNDS PLEDGED TO THE BONDS, ALL AS PROVIDED HEREIN, IN THE MASTER INDENTURE AND IN THE SUPPLEMENTAL INDENTURE.

This Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes, as amended, and other applicable provisions of law and

pursuant to the Indenture, executed counterparts of which Indenture are on file at the 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 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 Series 2004A-2 Special Assessments, the terms and conditions under which the Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Owners of the Bonds, and, by the acceptance of this Bond, the Owner hereof assents to all of the provisions of the Indenture. The Bonds are equally and ratably secured by the Series 2004A-2 Trust Estate, without preference or priority of one Bond over another. The Supplemental Indenture does not authorize the issuance of any additional Bonds ranking on a parity with the Bonds.

The 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 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 Miami, 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 Miami, Florida, in the manner and subject to the limitations and conditions provided in the Indenture and without cost, except for any tax or other governmental charge, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate or rates.

The Series 2004A-2 Bonds may, at the option of the District be called for redemption as a whole, at any time, or in part on any Interest Payment Date (less than all Series 2004A-2 Bonds to be selected by lot), at the Redemption Prices (expressed as percentages of principal amount) set forth in the following table plus accrued interest from the most recent Interest Payment Date to the redemption date:

| Redemption Periods (Dates Inclusive) | Redemption Prices |
|---|------------------------------|
| May 1, 2015 and thereafter | 100% |

The Series 2004A-2 Bonds are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the 2004A-2 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:

| Year | Amortization Installments |
|-------------|----------------------------------|
| 2020 | \$310,000 |
| 2021 | 330,000 |
| 2022 | 355,000 |
| 2023 | 375,000 |
| 2024 | 400,000 |
| 2025 | 425,000 |
| 2026 | 455,000 |
| 2027 | 480,000 |
| 2028 | 510,000 |
| 2029 | 545,000 |
| 2030 | 580,000 |
| 2031 | 620,000 |
| 2032 | 660,000 |
| 2033 | 700,000 |
| 2034 | 745,000 |
| 2035* | 795,000 |

* Maturity

As more particularly set forth in the Master Indenture and Supplemental Indenture, any Series 2004A-2 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of the Series 2004A-2 Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of Series 2004A-2 Bonds so as to reamortize the remaining Outstanding principal balance of the Series 2004A-2 Bonds as set forth in the Supplemental Indenture.

The Series 2004A-2 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) from Prepayments (as defined in the Indenture) deposited into the 2004A-2 Prepayment Subaccount of the 2004A-1/2 Redemption Account; or

(b) from amounts on deposit in the 2004A-2 Reserve Account, together with other moneys available therefor, sufficient to pay and redeem all of the Series 2004A-2 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Bonds of a Series shall be called for redemption, the particular Bonds or portions of 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 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to each registered Owner of 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 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 Bonds or such portions thereof on such date, interest on such Bonds or such portions thereof so called for redemption shall cease to accrue, such 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 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 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 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, the Supplemental Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

Any moneys held by the Trustee or 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.

If the District deposits or causes to be deposited with the Trustee funds 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 Bonds as to the Series 2004A-2

Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

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

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

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

IN WITNESS WHEREOF, CFM Community Development District has caused this Bond to bear the signature of the Chairperson 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:

**CFM COMMUNITY DEVELOPMENT
DISTRICT**

Assistant Secretary, Board of Supervisors

By: _____
Chairperson, Board of Supervisors

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

Date of Authentication:

U.S. BANK, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court for Lee County, Florida, rendered on May 13, 2002.

Attest:

**CFM COMMUNITY DEVELOPMENT
DISTRICT**

Assistant Secretary, Board of Supervisors

By: _____
Chairperson, Board of Supervisors

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 with the right of survivorship and not as tenants in common

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

UNIFORM GIFT MIN ACT - _____ Custodian _____ under Uniform Gifts to Minors Act

(Cust) (Minor) (State)

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

So long as the District maintains the book-entry only system for the Bonds, unless this certificate is presented by an authorized representative of The Depository Trust Company to the District or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by the authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

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

Dated: _____

Social Security Number or Employer Identification Number of Transferee:

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

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

EXHIBIT B

TAX ROLL OF PARCELS SUBJECT TO SERIES 2004A-1 SPECIAL ASSESSMENTS AND SERIES 2004A-2 SPECIAL ASSESSMENTS

Refer to [Table 4] of the Trifurcation Assessment Report for the Tax Roll of Parcels and Lots subject to the Series 2004A-1 Special Assessments.

Refer to [Table 7] of the Trifurcation Assessment Report for the Tax Roll of Parcels and Lots subject to the Series 2004A-2 Special Assessments.

EXHIBIT C

ACCREDITED VALUE TABLE

| Date | Series 2004A-1 Bonds |
|-------------|-----------------------------|
| 08/20/2019 | \$4,644.80 |
| 11/01/2019 | 4,701.55 |
| 05/01/2020 | 4,848.45 |
| 11/01/2020 | 5,000.00 |

EXHIBIT D

**FORM OF SERIES 2004A-1/2 BONDS COSTS OF ISSUANCE ACCOUNT
REQUISITION COST OF ISSUANCE REQUISITION NO. _____**

**CFM COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2004A-1
and
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2004A-2**

The undersigned, an Authorized Officer of the CFM Community Development District (the "District") hereby submits the following requisition for disbursement from the 2004A-1/2 Costs of Issuance Account created under and pursuant to the terms of the Master Trust Indenture from the District to U.S. Bank, National Association, as trustee (the "Trustee"), dated as of July 1, 2003, as supplemented by a Third Supplemental Indenture dated as of [August 1, 2019] (collectively, the "Indenture"), (all capitalized terms used herein shall have the meaning ascribed to such terms in this Indenture):

- (A) Requisition Number:
- (B) Name of Payee:
- (C) Amount Payable:
- (D) Purpose for which paid or incurred:

The undersigned hereby certifies that:

1. This requisition is for Costs of Issuance payable from the 2004A-1/2 Costs of Issuance Account that have not previously been paid; and
2. Each disbursement set forth above is a proper charge against the 2004A-1/2 Costs of Issuance Account.

Attached hereto are originals of the invoice(s) from the vendor of the services rendered with respect to which disbursement is hereby requested.

**CFM COMMUNITY DEVELOPMENT
DISTRICT**

By: _____
Chairperson, Board of Supervisors

EXHIBIT B

FORM OF AMENDMENT

THE THIRD AMENDMENT TO THE SECOND SUPPLEMENTAL TRUST INDENTURE

Between

CFM COMMUNITY DEVELOPMENT DISTRICT,
as the District

and

U.S. BANK NATIONAL ASSOCIATION, as Trustee

Dated as of
[August 1, 2019]

relating to

CFM COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2004A

THIRD AMENDMENT TO SECOND SUPPLEMENTAL TRUST INDENTURE

THIS THIRD AMENDMENT TO SECOND SUPPLEMENTAL TRUST INDENTURE (herein, the "Amendment") dated as of **[August 1, 2019]**, by and between the **CFM COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special-purpose government organized and existing under the laws of the State of Florida (together with its permitted successors and assigns, the "District" or "Issuer"), and U.S. BANK NATIONAL ASSOCIATION, as successor trustee to Wachovia Bank, National Association (the "Trustee") a banking corporation duly organized and existing under the laws of the United States and having corporate trust offices in Los Angeles, California, and consented to by the Beneficial Owners (as hereinafter defined) of the Series 2004A Bonds (as defined below).

WITNESSETH:

WHEREAS, the District has entered into a Master Trust Indenture dated as of July 1, 2003 (as subsequently amended May 1, 2019, the "Master Indenture") with the Trustee to secure the issuance from time to time of its CFM Community Development District Capital Improvement Revenue Bonds (the "Bonds") in one or more Series and of its bond anticipation notes; and

WHEREAS, the District, among other matters, authorized the issuance of its not exceeding \$32,000,000 Capital Improvement Revenue Bonds, Series 2004A (the "Series 2004A Bonds") and its not exceeding \$17,000,000 Capital Improvement Revenue Bonds, Series 2004B (the "Series 2004B Bonds" and, together with the Original Series 2004A Bonds, the "Original Series 2004 Bonds") pursuant to the Master Indenture, as supplemented; and

WHEREAS, the Bonds were validated by final judgment of the Twentieth Judicial Circuit Court in and for Lee County, Florida on May 13, 2002; and

WHEREAS, the Series 2004B Bonds were redeemed in full during fiscal year 2008; and

WHEREAS, the Series 2004A Bonds were issued pursuant to the Master Indenture, as amended and supplemented by that certain Second Supplemental Trust Indenture dated as of May 1, 2004, as amended by that certain First Amendment to Second Supplemental Trust Indenture dated as of May 1, 2009, and that Second Amendment to Second Supplemental Trust Indenture dated as of May 1, 2019 (collectively, the "Second Supplemental Indenture" and, together with the Master Indenture, the "Original Indenture") each by and between the District and the Trustee; and

WHEREAS, in connection with the issuance of the Series 2004A Bonds, and pursuant to Chapters 170 and 190, *Florida Statutes*, Resolution Nos. 2002-04, 2002-05, 2002-06, 2003-03, 2003-04, 2004-04, 2013-05, 2013-06 and 2013-11 and the Original Indenture, the District levied non ad-valorem special assessments (the "Series 2004A Special Assessments") securing and pledged to the repayment of the Series 2004A Bonds on those lands benefitting from the improvements financed with proceeds from such Series 2004A Bonds (except lands subsequently removed, the "Series 2004 Project"), as more specifically set forth in the Preliminary Special Assessment Methodology Report, dated as of April 1, 2002, as amended by

the Supplemental Special Assessment Methodology Report, dated July 27, 2003, the Final Special Assessment Methodology Report, dated May 20, 2004, and the First Supplement to May 20, 2004 Final Special Assessment Methodology Report, dated August 20, 2009, prepared by Special District Services, Inc. (collectively, the "Series 2004 Assessment Methodology Report"); and

WHEREAS, since the issuance of the Series 2004A Bonds, the principal owner and developer of lands within the District (the "Delinquent Landowner") failed to pay the Series 2004A Special Assessments levied against the lands owned by the Delinquent Landowner within the District that were due and owing; and

WHEREAS, the Trustee, at the direction of the beneficial owners of the Series 2004A Bonds (the "Bondholder") created Maxcy Development Group Holdings-CFM, Inc. (the "SPE") to take title to a portion of the lands owned by the Delinquent Landowner (the "Delinquent Lands"); and

WHEREAS, on February 24, 2011, the District entered into a Forbearance and Modification Agreement (the "Modification Agreement") with Windham/Magnolia Landing, L.L.C., (the "Developer"), the SPE and the Trustee in order to modify the lots and amounts securing and available to pay the Original Series 2004A Bonds. Special tax counsel advised that the execution and delivery of the Modification Agreement by the parties thereto resulted in a reissuance of the Original Series 2004A because the yield on the Original Series 2004A changed more than 0.25 percent as a result of the modification. The creation of the SPE and the execution and delivery of the Modification Agreement facilitated a repositioning of the portions of the District with delinquent Series 2004A Special Assessments for the benefit of the Bondholder pursuant to a Transfer and Transition Agreement dated April 18, 2013, between the District, Trustee, SPE and Delinquent Landowner; and

WHEREAS, certain portions of the Delinquent Lands designated parcel A ("Parcel A") and parcel J ("Parcel J") were sold to D.R. Horton, Inc. ("Horton") pursuant to that certain Land Purchase Contract dated as of July 27, 2016, between Horton and the SPE (as amended from time to time, the "Land Sale Agreement"); and

WHEREAS, the Land Sale Agreement requires Horton to make certain true up payments to the SPE upon its sale of homes in Parcel A and Parcel J respectively, as follows: (a) ten percent (10%) of sale proceeds above \$225,000 for sales of homes located in Parcel A, and (2) ten percent (10%) of sale proceeds above \$300,000 for sales of homes located in Parcel J (the "Parcels A&J True-Up Payments"); and

WHEREAS, the District and the Trustee, at the direction of the Bondholder, seek to restructure the outstanding \$17,885,000 Series 2004A Bonds by trifurcating them (the "Trifurcation") pursuant to a Third Supplemental Trust Indenture (the "Third Supplemental Indenture") into (a) \$[1,985,000] remaining Series 2004A Bonds which are to remain outstanding (the "Unexchanged Series 2004A Bonds"); (b) \$[15,680,000] in aggregate principal amount of CFM Community Development District Capital Improvement Revenue Bonds, Series 2004A (the "Exchanged Series 2004A Bonds") and the exchange of the Exchanged Series 2004A Bonds into (i) initial principal amount of \$[7,612,827] of CFM Community

Development District Capital Improvement Revenue Bonds, Series 2004A-1 (Convertible Capital Appreciation Bonds) (the "Series 2004A-1 Bonds") and (ii) \$[8,285,000] aggregate principal amount of CFM Community Development District Capital Improvement Revenue Bonds, Series 2004A-2 (the "Series 2004A-2 Bonds" and, together with the Series 2004A-1 Bonds, the "Series 2004A-1/2 Bonds"); and

WHEREAS, as a result of the modifications and amendments made hereby and in the Third Supplemental Indenture, the Unexchanged Series 2004A Bonds will remain outstanding under the Original Indenture, but shall be payable from and secured solely by the Parcels A&J True-Up Payments, to be applied to debt service of the Unexchanged Series 2004A Bonds quarterly, which together with the Funds and Accounts established under the Original Indenture for the benefit of the Unexchanged Series 2004A Bonds will comprise the Series 2004A Trust Estate, which shall constitute a separate Trust Estate under the Original Indenture; and

WHEREAS, the Unexchanged Series 2004A Bonds shall no longer be secured by the Series 2004A Special Assessments; and

WHEREAS, the Unexchanged Series 2004A Bonds are expected to remain in default following the implementation of this Amendment; and

WHEREAS, as a result of the modifications and amendments made hereby and in the Third Supplemental Indenture, the Trust Estate of the Unexchanged Series 2004A Bonds under the Original Indenture shall transfer for the benefit of the Series 2004A-2 Bonds; and

WHEREAS, Events of Default as defined in the Master Indenture shall continue to be governed by the Master Indenture, including, but not limited to Section 905 Pro Rata Application of Funds Among Owners of a Series of Bonds; and

WHEREAS, when all remaining homes in Parcel A and Parcel J have been sold and no further Parcels A&J True-Up Payments are payable, the Unexchanged Series 2004A Bonds will be cancelled following a final distribution; and

WHEREAS, the District and the Trustee now desire to amend, and the Bondholder hereby approves and consents to such Amendment in the manner hereinafter provided.

NOW THEREFORE, in consideration of the foregoing and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District and the Trustee hereby agree as follows:

Section 1: Definitions. Any capitalized term used in this Amendment and not otherwise defined herein shall have the meaning ascribed to such term in the Original Indenture.

Section 2: Application. This Amendment shall amend certain provisions of the Second Supplemental Indenture, as amended and supplemented from time to time, and the Series 2004A Bonds without the necessity of amending each such instruments separately. To the extent any provision in the Second Supplemental Indenture is addressed in this Amendment, the provisions in this Amendment relating thereto shall govern.

Section 3: Incorporation. All statements set forth in the recitals stated above are true and correct and are incorporated into this Amendment and such statements form the basis for the Trustee to join in the execution and delivery of this Amendment with the District and for the Bondholder to approve and consent to the amendments herein contemplated.

Section 4: Amendment to Second Supplemental Indenture Definitions.

(a) The definition of "2004A Reserve Account Requirement" in the Original Indenture shall be amended to read as follows:

"2004A Reserve Account Requirement" shall mean zero as there is no 2004A Reserve Account Requirement.

(b) The definition of "Land Sale Agreement" shall be added to the Original Indenture and shall read as follows:

"Land Sale Agreement" shall mean that certain Land Purchase Contract dated as of July 27, 2016, between D.R. Horton, Inc. and the SPE, as amended from time to time.

(c) The definition of "Parcels A&J True-Up Payments" shall be added to the Original Indenture and shall read as follows:

"Parcels A&J True-Up Payments" shall mean the true up payments by D.R. Horton to the SPE upon the sales of homes in Parcel A and Parcel J respectively as follows: (a) ten percent (10%) of sale proceeds above \$225,000 for sales of homes located in Parcel A, and (2) ten percent (10%) of sale proceeds above \$300,000 for sales of homes located in Parcel J.

(d) The definition of "Parcel A" shall be added to the Original Indenture and shall read as follows:

"Parcel A" shall mean the parcel as described in Exhibit A of the Third Amendment to the Land Sale Agreement.

(e) The definition of "Parcel J" shall be added to the Original Indenture and shall read as follows:

"Parcel J" shall mean the parcel as described in Exhibit A to the original Land Sale Agreement.

(e) The definition of "SPE" shall be added to the Original Indenture and shall read as follows:

"SPE" shall mean Maxcy Development Group Holdings-CFM, created by the Trustee at the direction of the Bondholder to facilitate the sale of District lands with delinquent Assessments.

(f) The definition of "Interest Payment Date" in the Original Indenture shall be amended to read as follows:

"Interest Payment Date" shall mean each May 1, August 1, November 1, and February 1, commencing [**November 1, 2019**].

(g) The definition of "2004 Pledged Revenues" in the Original Indenture shall be amended to read as follows:

"2004 Pledged Revenues" shall mean all revenues derived by the District from the Parcels A&J True-Up Payments.

Section 5: Amendment to Second Supplemental Indenture Section 407.

Section 407(c)-(f) of the Second Supplemental Indenture is hereby amended and restated as follows (deleted language has been ~~struck through~~, additional language is underlined):

Section 407 Application of Revenues and Investment Earnings.

(c) Parcels A&J True-Up Payments shall be deposited with the Trustee which shall be deposited by the Trustee into the 2004 Revenue Account.¹

~~(d)(e)~~ On each March 15 and September 15 (or if such March 15 or September 15 is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the 2004 Prepayment Subaccount or the 2004 Prepayment Subaccount of the 2004 Redemption Account, respectively, and, if the balance therein is greater than zero, shall transfer from the 2004 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 2004 Bonds on the next succeeding Interest Payment 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 2004 Bonds set forth in the respective form of 2004 Bond attached hereto, Section 301 hereof, and Article III of the Master Indenture.

~~(e)(d)~~ On each May 1 (or if such May 1 is not a Business Day, on the Business Day preceding such May 1), the Trustee shall transfer from amounts on deposit in the 2004 Revenue Account to the Funds and Accounts designated below, the following amounts in the following order of priority:

FIRST, from the 2004 Revenue Account to the 2004A Interest Account ~~or the 2004B Interest Account~~ of the Debt Service Fund, an amount equal to the amount of interest payable on all Series 2004A Bonds and 2004B Bonds, respectively, then Outstanding on such May 1 ~~or the next successive November 1 or any successive Interest Payment Date, less any amount transferred from a Capitalized Interest Account in accordance with Section 403(c) hereof and~~

¹ Parcels A&J True Up Payments are required under the Land Sale Agreement to be made to the SPE; the SPE has prior to this Amendment directed all such payments to be made directly to the Trustee.

less any other amount already on deposit in the 2004A Interest Account ~~or the 2004B Interest Account not previously credited;~~

SECOND, to the 2004A Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all 2004A Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the 2004A Sinking Fund Account not previously credited;

THIRD, to the 2004A Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the 2004A Reserve Account Requirement with respect to the Series 2004A Bonds ~~and to the 2004B Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the 2004B Reserve Account Requirement with respect to the 2004B Bonds;~~ and

FOURTH, the balance shall be retained in the 2004 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.

~~(f)~~(e) Within ten (10) Business Days after the last Interest Payment Date in each calendar year, the Trustee shall, at the written direction of the District, withdraw any moneys held for the credit of the 2004 Revenue Account which are not otherwise required to be deposited to other 2004 Pledged Funds and Accounts pursuant to this Section and deposit such moneys first to the credit of the 2004 Rebate Account in the amount, and to the extent necessary, so the amount on deposit therein equals the accrued rebate obligation under Section 148(f) of the Code, and secondly, if the Trustee has received a certification from the District by such date detailing the amount of such obligation which shall be deposited and thereafter to the District to be used to pay the operating and administrative costs and expenses of the District; provided, however, that on the date of such proposed transfer the amount on deposit in the 2004A Reserve Account shall be equal to the 2004A Reserve Account Requirement ~~and the amount on deposit in the 2004B Reserve Account shall be equal to the 2004B Reserve Account Requirement~~, and, provided further, that the Trustee shall not have actual knowledge of an Event of Default under the Master Indenture or hereunder relating to any of the 2004 Bonds, including the payment of Trustee's fees and expenses the due.

~~(g)~~(f) 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 Series 2004A Bonds shall be invested only in 2004 Investment Obligations, and further, earnings on the 2004 Acquisition and Construction Account and the subaccounts therein shall be retained, as realized, in such Accounts or subaccounts and used for the purpose of such Account or subaccount. Earnings on investments in the 2004 Sinking Fund Account and the 2004 Redemption Account shall be deposited, as realized, to the credit of the 2004 Revenue Account and used for the purpose of such Account.

Earnings on investments in the 2004A 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 2004A Reserve Account as of the most recent date on which amounts on deposit in such 2004A Reserve Account were valued by the Trustee, and if no withdrawals have been made from such 2004 Reserve Account since such date which have created a deficiency, then earnings on investments in such 2004A Reserve Account shall, ~~through November 1, 2005~~ be deposited ~~into the 2004A Capitalized Interest Account, and thereafter,~~ into the 2004 Revenue Account; and

(ii) if as of the last date on which amounts on deposit in a 2004A Reserve Account were valued by the Trustee there was a deficiency (as defined in Section 509 of the Master Indenture) in such 2004A Reserve Account, or if after such date withdrawals have been made from the 2004A Reserve Account and have created such a deficiency, then earnings on investments in the 2004A Reserve Account shall be deposited to the credit of the 2004A Reserve Account until the amount on deposit therein equals the 2004A Reserve Account Requirement and thereafter shall, ~~through November 1, 2005, be deposited into the 2004A Capitalized Interest Account and, after November 1, 2005,~~ be deposited into the 2004 Revenue Account.

~~Earnings on investments in the 2004B 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 2004B Reserve Account as of the most recent date on which amounts on deposit in such 2004B Reserve Account were valued by the Trustee, and if no withdrawals have been made from such 2004 Reserve Account since such date which have created a deficiency, then earnings on investments in such 2004B Reserve Account shall, through November 1, 2005, be deposited into the 2004B Capitalized Interest Account and, thereafter, into the 2004 Revenue Account; and~~

~~(ii) if as of the last date on which amounts on deposit in a 2004B Reserve Account were valued by the Trustee there was a deficiency (as defined in Section 509 of the Master Indenture) in such 2004B Reserve Account, or if after such date withdrawals have been made from the 2004B Reserve Account and have created such a deficiency, then earnings on investments in the 2004B Reserve Account shall be deposited to the credit of the 2004B Reserve Account until the amount on deposit therein equals the 2004B Reserve Account Requirement and thereafter shall, through November 1, 2005, be deposited into the 2004B Capitalized Interest Account and, after November 1, 2005, be deposited into the 2004 Revenue Account.~~

Section 6: Applicability Remaining Provisions. Except as expressly modified as stated above, all provisions of the Original Indenture shall remain unaffected and in full force and effect.

Section 7: Counterparts. This Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

Section 8: No Personal Liability or Accountability. No covenant or agreement contained in this Amendment shall be deemed to be the covenant or agreement of any present,

past or future member, agent or employee of the District or the Trustee, in his or her individual capacity, and neither the members of the District or the Trustee, nor any official, agent or employee of the District or the Trustee, shall be liable personally on the Series 2004A Bonds or be subject to any personal liability or accountability by reason of this Amendment.

Section 9: Binding Effect. This Amendment shall inure to the benefit of, and shall be binding upon, the District, the Trustee, and the owners of the Series 2004A Bonds and their respective successors and assigns.

Section 10: Severability. If any provisions of this Amendment shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 11: Effective Date. This Amendment shall become effective upon (i) the execution by the District and the Trustee and the receipt by the Trustee of the written consent (in substantially the form attached hereto) approving this Amendment signed by the Bondholder, as required by Section 1102 of the Master Indenture; and (ii) pursuant to Section 1103 of the Master Indenture, Counsel for the Trustee delivers an opinion to the Trustee and the District to the effect that the Amendment is permitted and authorized under the Original Indenture, and Counsel for the District delivers an opinion to the Trustee that this Amendment is the valid and binding obligation of the District enforceable in accordance with its terms subject to permitted qualifications regarding enforceability.

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

IN WITNESS WHEREOF, the District and the Trustee have caused this Amendment to be executed on their behalf by their duly authorized representatives as of the date first above written.

(SEAL)

District:

CFM COMMUNITY DEVELOPMENT DISTRICT

ATTEST:

By: _____
Name: _____
Title: [Assistant] Secretary

By: _____
Leah Popelka
Title: Chairperson

STATE OF FLORIDA)
) SS:
COUNTY OF _____)

On this ____ day of [_____, 2019], before me, a notary public in and for the State and County aforesaid, personally appeared _____, Chairperson of the Board of Supervisors of CFM Community Development District, who acknowledged that he/she did sign the foregoing instrument as such officer, for and on behalf of CFM Community Development District; that the same is his/her free act and deed as such officer, and the free act and deed of CFM Community Development District; and that the seal affixed to said instrument is the seal of CFM Community Development District.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year in this certificate first above written.

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Notary Public, Print, Stamp or Type as Commissioned)

Personally known to me, or
Produced identification:

(Type of Identification Produced)

[Signatures continued on following page.]

STATE OF FLORIDA)
) SS:
COUNTY OF _____)

On this ____ day of [_____, 2019], a notary public in and for the State and County aforesaid, personally appeared _____, _____ Secretary of the Board of Supervisors of CFM Community Development District, who acknowledged that he/she did sign the foregoing instrument as such officer, for and on behalf of CFM Community Development District; that the same is his/her free act and deed as such officer, and the free act and deed of CFM Community Development District; and that the seal affixed to said instrument is the seal of CFM Community Development District.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year in this certificate first above written.

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Notary Public, Print, Stamp or Type as Commissioned)

Personally known to me, or
Produced identification:

(Type of Identification Produced)

[Signatures continued on following page.]

Trustee:

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

By: _____
Name: _____
Title: Vice President and Trust Officer

STATE OF FLORIDA)
) SS:
COUNTY OF ORANGE)

On this ____ day of [_____, 2019], before me, a notary public in and for the State and County aforesaid, personally appeared [_____], a Vice President and Trust Officer of U.S. Bank National Association, as Trustee, who acknowledged that he did sign said instrument as such officer for and on behalf of said association; that the same is her free act and deed as such officer and the free act and deed of said association.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year in this certificate first above written.

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Notary Public, Print, Stamp or Type as Commissioned)

Personally known to me, or
Produced identification:

(Type of Identification Produced)

EXHIBIT C

FORM OF INFORMATION MEMORANDUM

**INFORMATION MEMORANDUM DATED [AUGUST __, 2019]
RELATING TO THE TRIFURCATION EFFECTIVE [AUGUST __, 2019]**

NO RATING

*THIS INFORMATION MEMORANDUM ("**INFORMATION MEMORANDUM**") HAS BEEN PREPARED AND IS SOLELY PROVIDED TO MEMORIALIZE THE TERMS OF THE TRIFURCATION (AS DEFINED HEREIN) AND THE SERIES 2004A-1/2 INDENTURE (AS DEFINED HEREIN) ASSOCIATED THEREWITH. THIS DOCUMENT IS NOT INTENDED TO BE A LIMITED OFFERING MEMORANDUM, A SUPPLEMENT TO A LIMITED OFFERING MEMORANDUM, OR OTHER REMARKETING CIRCULAR. UNDER NO CIRCUMSTANCES SHALL THIS INFORMATION MEMORANDUM CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY EXCHANGE OF THE SECURITIES IN ANY STATE IN WHICH SUCH AN OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION, QUALIFICATION OR EXEMPTION UNDER THE SECURITIES LAWS OF SUCH STATE.*

**INFORMATION MEMORANDUM
RELATING TO**

STEP 1: BIFURCATION OF

\$17,885,000

**CFM Community Development District
Capital Improvement Revenue Bonds, Series 2004A
(the "Original Series 2004A Bonds")**

INTO

\$1,985,000

**CFM Community Development District
Capital Improvement Revenue Bonds, Series 2004A
(the "Unexchanged Series 2004A Bonds")**

\$15,900,000

**CFM Community Development District
Capital Improvement Revenue Bonds, Series 2004A
(the "Exchanged Series 2004A Bonds")**

AND

STEP 2: EXCHANGE OF THE EXCHANGED SERIES 2004A BONDS FOR

\$7,612,827

**Initial Principal Amount of
CFM Community Development District
Capital Improvement Revenue Bonds,
Series 2004A-1
(Convertible Capital Appreciation Bonds)
(the "Series 2004A-1 Bonds")**

\$8,285,000

**CFM Community Development District
Capital Improvement Revenue Bonds,
Series 2004A-2
(the "Series 2004A-2 Bonds")**

(TOGETHER, THE "TRIFURCATION")

THE SUBSTANTIVE TERMS AND CONDITIONS OF THE TRIFURCATION OF THE ORIGINAL SERIES 2004A BONDS INTO THE UNEXCHANGED SERIES 2004A BONDS, THE SERIES 2004A-1 BONDS AND THE SERIES 2004A-2 BONDS (COLLECTIVELY, THE "**TRIFURCATION** "), ARE SET FORTH IN THIS INFORMATION MEMORANDUM, WHICH IS PROVIDED BY THE CFM COMMUNITY DEVELOPMENT DISTRICT (THE "**DISTRICT**") FOR THE SOLE PURPOSE OF MEMORIALIZING THE TRIFURCATION. READERS SHOULD READ THIS INFORMATION MEMORANDUM, AS WELL AS THE

COMPLETE DOCUMENTS ATTACHED HERETO, THOROUGHLY IN ORDER TO MAKE AN INFORMED DECISION REGARDING THE TRIFURCATION.

THIS INFORMATION MEMORANDUM IS INTENDED TO BE READ IN ITS ENTIRETY. THE SUMMARIES AND DESCRIPTIONS HEREIN OF THE UNEXCHANGED SERIES 2004A BONDS, THE UNEXCHANGED SERIES 2004A INDENTURE (AS DEFINED HEREIN), THE SERIES 2004A-1/2 BONDS (AS DEFINED HEREIN), THE SERIES 2004A-1/2 INDENTURE (AS DEFINED HEREIN) AND CERTAIN PROVISIONS OF LAW DO NOT PURPORT TO BE COMPLETE AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE COMPLETE PROVISIONS THEREOF. CAPITALIZED TERMS USED HEREIN AND NOT OTHERWISE EXPRESSLY DEFINED HEREIN SHALL HAVE THE MEANINGS ASCRIBED THERETO IN THE SERIES 2004A-1/2 INDENTURE.

U.S. BANK NATIONAL ASSOCIATION ("**U.S. BANK**" OR "**TRUSTEE**") ACTS AS TRUSTEE UNDER THE TERMS OF THE MASTER TRUST INDENTURE DATED AS OF JULY 1, 2003 (AS AMENDED MAY 1, 2019, THE "**MASTER INDENTURE**") AS SUPPLEMENTED BY: (1) THAT CERTAIN SECOND SUPPLEMENTAL TRUST INDENTURE DATED AS OF MAY 1, 2004, AS AMENDED BY THAT CERTAIN FIRST AMENDMENT TO SECOND SUPPLEMENTAL TRUST INDENTURE DATED AS OF MAY 1, 2009, AND THAT CERTAIN SECOND AMENDMENT TO SECOND SUPPLEMENTAL TRUST INDENTURE DATED AS OF MAY 1, 2019 (THE "**SECOND SUPPLEMENTAL INDENTURE**" AND TOGETHER WITH THE MASTER INDENTURE, THE "**ORIGINAL INDENTURE**"), AS FURTHER AMENDED BY THAT CERTAIN THIRD AMENDMENT TO SECOND SUPPLEMENTAL TRUST INDENTURE DATED AS OF AUGUST 1, 2019 (AS SO AMENDED, THE "**UNEXCHANGED SERIES 2004A INDENTURE**") RELATING TO THE UNEXCHANGED SERIES 2004A BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF \$1,985,000 SECURED SOLELY BY THE PARCELS A&J TRUE UP PAYMENTS (AS DEFINED HEREIN), AND (2) THAT CERTAIN THIRD SUPPLEMENTAL TRUST INDENTURE DATED AS OF AUGUST 1, 2019 (THE "**THIRD SUPPLEMENTAL INDENTURE**" AND, TOGETHER WITH THE MASTER INDENTURE, THE "**SERIES 2004A-1/2 INDENTURE**" AND, TOGETHER WITH THE UNEXCHANGED SERIES 2004A INDENTURE, THE "**INDENTURES**") RELATING TO (A) THE SERIES 2004A-1 BONDS IN THE INITIAL PRINCIPAL AMOUNT OF \$7,612,827, INITIALLY ISSUED AS CONVERTIBLE CAPITAL APPRECIATION BONDS, SECURED BY SERIES 2004A-1 SPECIAL ASSESSMENTS (AS DEFINED HEREIN) AND THE FINAL PARCELS SALE PROCEEDS (AS DEFINED HEREIN) AND (B) THE SERIES 2004A-2 BONDS (AND, TOGETHER WITH THE SERIES 2004A-1 BONDS, THE "**SERIES-2004A-1/2 BONDS**" OR THE "**BONDS**") IN THE AGGREGATE PRINCIPAL AMOUNT OF \$8,285,000, SECURED BY SERIES 2004A-2 SPECIAL ASSESSMENTS (AS DEFINED HEREIN) AND THE FORBEARANCE TERMINATION PAYMENT (AS DEFINED HEREIN).

U.S. BANK DOES NOT HAVE ANY ROLE IN THE FINANCIAL DECISIONS OR BUSINESS DECISIONS OF THE DISTRICT, AND HAS NO OBLIGATION TO PAY THE AMOUNTS OWING UNDER THE BONDS. U.S. BANK IS NOT RESPONSIBLE FOR THE FACTUAL OR FINANCIAL INFORMATION BEING PROVIDED TO YOU IN

CONNECTION WITH THE TRIFURCATION. THIS INFORMATION SHOULD BE REGARDED AS COMING SOLELY FROM THE DISTRICT.

NO BROKER, DEALER, SALESPERSON, OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION REGARDING THIS TRIFURCATION ON BEHALF OF THE DISTRICT THAT IS NOT CONTAINED IN THIS INFORMATION MEMORANDUM. IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED.

NEITHER THE BONDS, NOR THE INTEREST 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 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 SERIES 2004A-1/2 INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO DIRECTLY, INDIRECTLY OR CONTINGENTLY COMPEL OR OBLIGATE THE DISTRICT TO PLEDGE ANY FUNDS WHATSOEVER THEREFROM OR TO MAKE ANY APPROPRIATION FOR THAT PAYMENT OTHER THAN AS PERMITTED IN THE SERIES 2004A-1/2 INDENTURE NOR SHALL ANY PERSON HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT, OF LEE COUNTY, THE STATE OF FLORIDA, 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 INDENTURES, OR THE BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURES, AND THE BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE PLEDGED REVENUES PLEDGED THERETO, TO THE EXTENT AND AS PROVIDED IN THE INDENTURES.

THE TRIFURCATION INVOLVES A SIGNIFICANT DEGREE OF RISK (SEE "BONDOWNERS RISKS" HEREIN) AND SUCH BONDS ARE NOT SUITABLE FOR ALL INVESTORS (SEE "LEGALITY/SUITABILITY FOR INVESTMENT" HEREIN). NO APPLICATION WAS MADE FOR A RATING WITH RESPECT TO THE BONDS.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE SERIES 2004A-1/2 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 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.

THE INFORMATION PROVIDED IN THE "TAX MATTERS" SECTION OF THIS INFORMATION MEMORANDUM WAS PROVIDED BY SPECIAL TAX COUNSEL AND

THE DISTRICT TAKES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN CONTAINED ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS INFORMATION MEMORANDUM, NOR ANY TRANSACTION MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT SINCE THE DATE HEREOF.

CERTAIN STATEMENTS CONTAINED IN THIS INFORMATION MEMORANDUM DO NOT REFLECT HISTORICAL FACTS BUT ARE FORECASTS AND "FORWARD LOOKING STATEMENTS." NO ASSURANCE CAN BE GIVEN THAT THE FUTURE RESULTS DISCUSSED HEREIN WILL BE ACHIEVED, AND ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THE FORECASTS DESCRIBED HEREIN. IN THIS RESPECT, WORDS SUCH AS "ESTIMATE," "PROJECT," "ANTICIPATE," "EXPECT," "INTEND," "FORECAST," "PLAN," "BELIEVE" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. ALL PROJECTIONS, FORECASTS, ASSUMPTIONS AND OTHER FORWARD-LOOKING STATEMENTS ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THIS AND OTHER CAUTIONARY STATEMENTS SET FORTH IN THIS INFORMATION MEMORANDUM.

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**INFORMATION MEMORANDUM
RELATING TO**

STEP 1: BIFURCATION OF

\$17,885,000
CFM Community Development District
Capital Improvement Revenue Bonds, Series 2004A
(the "Original Series 2004A Bonds")

INTO

\$1,985,000
CFM Community Development District
Capital Improvement Revenue Bonds, Series 2004A
(the "Unexchanged Series 2004A Bonds")

\$15,900,000
CFM Community Development District
Capital Improvement Revenue Bonds, Series 2004A
(the "Exchanged Series 2004A Bonds")

AND

STEP 2: EXCHANGE OF THE EXCHANGED SERIES 2004A BONDS FOR

\$7,612,827
Initial Principal Amount of
CFM Community Development District
Capital Improvement Revenue Bonds,
Series 2004A-1
(Convertible Capital Appreciation Bonds)
(the "Series 2004A-1 Bonds")

\$8,285,000
CFM Community Development District
Capital Improvement Revenue Bonds,
Series 2004A-2
(the "Series 2004A-2 Bonds")

(TOGETHER, THE "TRIFURCATION")

*This information memorandum ("**Information Memorandum**") has been prepared and is provided solely to memorialize the terms of the Trifurcation (as defined herein) and the Series 2004A-1/2 Indenture (as defined herein) associated therewith. This document is not intended to be a limited offering memorandum, a supplement to a limited offering memorandum, or other remarketing circular. Under no circumstances shall this Information Memorandum constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any exchange of the securities in any state in which such an offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of such state.*

Certain statements in this Information Memorandum contain certain "forward-looking statements" concerning the District's operations, performance and financial condition, including the District's future economic performance, plans and objectives and the likelihood of success in developing and expanding the District. These statements are based upon a number of assumptions and estimates which are subject to uncertainties, many of which are beyond the control of the District. The words "may," "would," "could," "will," "expect," "anticipate," "believe," "intend," "plan," "estimate" and similar expressions are meant to identify these forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements.

All capitalized terms used in this Information Memorandum that are not otherwise expressly defined herein shall have the meanings set forth in the Series 2004A-1/2 Indenture (as defined herein) and the Third Amendment to Second Supplemental Indenture (the "**Amendment**") as the case may be. See "APPENDIX A: COPY OF MASTER INDENTURE AND FORMS OF THIRD SUPPLEMENTAL INDENTURE AND AMENDMENT" attached hereto.

There follows in this Information Memorandum a brief description of the District, together with summaries of the terms of the Series 2004A-1/2 Bonds (as defined herein), the Series 2004A-1/2 Indenture, the Unexchanged Series 2004A Indenture (as defined herein), the Unexchanged Series 2004A Bonds (as defined herein), and certain provisions of the Act.

THE DISTRICT

General

The CFM Community Development District (the "**District**") is an independent local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "**Act**"), by Ordinance No. 02-01 of the Board of County Commissioners of Lee County, Florida (the "**County Board**"), enacted January 8, 2002, effective January 14, 2002. The District's boundaries were enlarged pursuant to Ordinance No. 12-11 of the County Board enacted on May 30, 2012. The District consists of approximately 980.96 gross acres of land located entirely within the unincorporated area of Lee County, Florida (the "**County**").

Powers

Chapter 190, *Florida Statutes*, was enacted in 1980 to provide a uniform method for the establishment of independent districts to manage and finance basic community development services, including capital infrastructure required for community developments throughout the State 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 pursuant to general law charter (Sections 190.006 through 190.041, Florida Statutes).

Among other provisions, the Act gives the District's Board of Supervisors ("**Board**") the authority to: (a) plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems and facilities for, among other things: (i) water management and control for lands within the District and to connect any of such facilities with roads and bridges; (ii) water supply, sewer, and waste-water management or any combination thereof and to construct and operate connecting intercept or outlet sewers and sewer mains and pipes and water mains, conduits, or pipelines in, along, and under any street, alley, highway, or other public place or ways, and to dispose of any effluent, residue, or other byproducts of such system or sewer system; (iii) District roads equal to or exceeding the specifications of the County and street lights, landscaping, hardscaping, and the undergrounding of electric utility lines; and (iv) parks and facilities for indoor and outdoor recreational uses and security; (b) borrow money and issue bonds of the District; (c) impose and foreclose special assessment liens as provided in the Act;

and (d) exercise all other powers, necessary, convenient, incidental or proper in connection with any of the powers or duties of the District stated in the Act.

The Act does not empower the District to adopt and enforce any land use plans or zoning ordinances and the Act does not empower the District to grant building permits. These functions are to be performed by general purpose local government(s) having jurisdiction over the lands within the District.

The Act exempts all property owned by 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 lands of the District to pursue any remedy for enforcement of any lien or pledge of the District in connection with its bonds, including the Series 2004A-1/2 Bonds.

Board of Supervisors

The Act provides for a five-member Board to serve as the governing body of the District. Members of the Board (the "**Supervisors**") must be residents of the State and citizens of the United States of America. Initially, the Supervisors are appointed pursuant to the Act, until an election is advertised. Following advertisement, the Supervisors are elected on an at-large basis by the owners of the property within the District. Ownership of land within the District initially entitles the owner to one vote per acre (with fractions thereof rounded upward to the nearest whole number). Each Supervisor serves until expiration of their term and until their successor is chosen and qualified. If, during a term of office, a vacancy occurs, a majority of the remaining Supervisors may fill the vacancy by an appointment of an interim Supervisor for the remainder of the unexpired term.

The landowners in the District elect two Supervisors to four-year terms and three Supervisors to two-year terms at bi-annual elections. After the first election of the Board, the next election by landowners will be the first Tuesday in the applicable November. Thereafter, the election will take place every two years on a date in November established by the Board. Until the later of six years after the initial appointment of Supervisors or the year when the District attains at least 250 qualified electors, Supervisors whose terms are expiring will begin to be elected (as their terms expire) by qualified electors of the District. A qualified elector is a registered voter who is a resident of the District and the State and a citizen of the United States of America. At the election where Supervisors are first elected by qualified electors, two Supervisors must be qualified electors and be elected by qualified electors, both to four-year terms. The other Supervisor will be elected by landowners to a four-year term and is not required to be a qualified elector. Thereafter, as terms expire, all Supervisors must be qualified electors and be elected by qualified electors to serve staggered terms for four-year terms.

Notwithstanding the foregoing, if at any time the Board proposes to exercise its ad valorem taxing power, prior to the exercise of such power it shall call an election at which all Supervisors shall be elected by qualified electors of the District. Elections subsequent to such decision shall be held in a manner such that the Supervisors will serve four-year terms with staggered expiration dates in the manner set forth in the Act.

The Act provides that it shall not be an impermissible conflict of interest under State law governing public officials for a Supervisor to be a stockholder, officer or employee of a landowner. The current members of the Board and the expiration of the term of each Supervisor are listed below.

| Name⁺ | Title | Term Expires |
|-------------------------|---------------------|---------------------|
| Leah Popelka* | Chairperson | November 2020 |
| Scott Campbell* | Vice Chairperson | November 2022 |
| Chip Jones* | Assistant Secretary | November 2022 |
| Sue Streeter | Assistant Secretary | November 2020 |
| Paul Mayotte | Assistant Secretary | November 2020 |

* Employee of the SPE (as defined herein).

A majority of the members of the Board constitutes a quorum for the purposes of conducting its business and exercising its powers and for all other purposes. Action taken by the District shall be upon a vote of a majority of the members present unless general law or a rule of the District requires a greater number. All meetings of the Board are open to the public under Florida's open meeting or "Sunshine" law.

The District Manager and Other Consultants

The chief administrative official of the District is the District Manager (as hereinafter defined). The Act provides that a district manager has charge and supervision of the works of the District and is responsible for preserving and maintaining any improvement or facility constructed or erected pursuant to the provisions of the Act, for maintaining and operating the equipment owned by the District, and for performing such other duties as may be prescribed by the Board.

The District has retained Rizzetta & Company, Inc., Ft. Myers, Florida, to serve as its district manager ("**District Manager**") and assessment consultant ("**Assessment Consultant**") and to prepare the Trifurcation Assessment Report. The District Manager's office is located at 9530 Marketplace Rd., Suite 206, Ft. Myers, Florida 33912. The Act further authorizes the Board to hire such employees and agents as it deems necessary.

Outstanding Indebtedness

Original Series 2004A Bonds. The District has previously issued its \$27,740,000 Capital Improvement Revenue Bonds, Series 2004A (the "**Original Series 2004A Bonds**") under and pursuant to the Master Trust Indenture, dated as of July 1, 2003 (as subsequently amended May 1, 2019, the "**Master Indenture**") as supplemented by that certain Second Supplemental Trust Indenture dated as of May 1, 2004 (as amended by that certain First Amendment to Second Supplemental Trust Indenture dated as of May 1, 2009, and that Second Amendment to Second Supplemental Trust Indenture dated as of May 1, 2019, collectively, the "**Second Supplemental Indenture**" and, together with the Master Indenture, the "**Original Indenture**") each by and between the District and U.S. Bank National Association (the "**Trustee**"), of which \$17,885,000 in principal amount is currently outstanding.

The Original Series 2004A Bonds are secured by the Series 2004A Special Assessments (as hereinafter defined) securing and pledged to the repayment of the Original Series 2004A Bonds on the Series 2004 Project (as hereinafter defined). See "SUMMARY OF TRIFURCATION " and "THE DEVELOPMENT" herein.

AS A RESULT OF THE TRIFURCATION AND THE AMENDMENT (AS DEFINED HEREIN), THE OUTSTANDING INDEBTEDNESS WILL BE REPLACED BY THE UNEXCHANGED SERIES 2004A BONDS SECURED SOLELY BY PARCELS A & J TRUE-UP PAYMENTS (AS DEFINED HEREIN), AND THE SERIES 2004A-1/2 BONDS SECURED BY THE SERIES 2004A-1/2 SPECIAL ASSESSMENTS (AS DEFINED HEREIN) ALL AS DESCRIBED HEREIN.

SUMMARY OF TRIFURCATION

The following summary of the Trifurcation is qualified in its entirety by reference to the full terms and conditions of the Series 2004A-1/2 Indenture, the Amendment, copies and forms of which are attached as appendices to this Information Memorandum and the terms and conditions of which are incorporated herein by reference, the Series 2004A-1/2 Bonds, and all other documents applicable to the Trifurcation.

The District has entered into the Master Indenture with the Trustee to secure the issuance from time to time of its CFM Community Development District Capital Improvement Revenue Bonds in one or more Series and of its bond anticipation notes.

The District, among other matters, authorized the issuance of its Original Series 2004A Bonds in an aggregate principal amount not exceeding \$32,000,000 and its Capital Improvement Revenue Bonds, Series 2004B Bonds in an aggregate principal amount not exceeding \$17,000,000 (the "**Series 2004B Bonds**" and, together with the Original Series 2004A Bonds, the "**Original Series 2004 Bonds**") pursuant to the Master Indenture, as supplemented.

The Original Series 2004 Bonds were validated by final judgment of the Twentieth Judicial Circuit Court in and for Lee County, Florida on May 13, 2002. The Series 2004B Bonds were redeemed in full during fiscal year 2008.

The Original Series 2004A Bonds were issued as described above under "THE DISTRICT — Outstanding Indebtedness — Original Series 2004A Bonds."

In connection with the issuance of the Original Series 2004A Bonds, and pursuant to Chapters 170 and 190, *Florida Statutes*, Resolution Nos. 2002-04, 2002-05, 2002-06, 2003-03, 2003-04, 2004-04, 2013-05, 2013-06 and 2013-11, and the Original Indenture, the District levied non ad-valorem special assessments (the "**Series 2004A Special Assessments**") securing and pledged to the repayment of the Original Series 2004A Bonds on those lands benefitting from the improvements financed with proceeds from such Original Series 2004A Bonds (except lands subsequently removed, the "**Series 2004 Project**"), as more specifically set forth in the Preliminary Special Assessment Methodology Report, dated as of April 1, 2002, as amended by the Supplemental Special Assessment Methodology Report, dated July 27, 2003, the Final Special Assessment Methodology Report, dated May 20, 2004, and the First Supplement to

May 20, 2004 Final Special Assessment Methodology Report, dated August 20, 2009, prepared by Rizzetta & Company, Inc. (collectively, the "**Series 2004 Assessment Methodology Report**").

Since the issuance of the Original Series 2004A Bonds, Earthmark Companies ("Earthmark"), LLC, a limited liability company (the "**Delinquent Landowner**") failed to pay the Series 2004A Special Assessments levied against the lands owned by the Delinquent Landowner within the District that were due and owing.

The Trustee, at the direction of the beneficial owners of the Original Series 2004A Bonds (the "**Bondholder**") created Maxcy Development Group Holdings-CFM, Inc. (the "**SPE**") to take title to a portion of the lands owned by the Delinquent Landowner (the "**Delinquent Lands**"). On February 24, 2011, the District entered into a Forbearance and Modification Agreement (the "**Modification Agreement**") with Windham/Magnolia Landing, L.L.C., (the "**Developer**"), the SPE and the Trustee in order to modify the lots and amounts securing and available to pay the Original Series 2004A Bonds. Special Tax Counsel advised that the execution and delivery of the Modification Agreement by the parties thereto resulted in a reissuance of the Original Series 2004A because the yield on the Original Series 2004A changed more than 0.25 percent as a result of the modification. The creation of the SPE and the execution and delivery of the Modification Agreement facilitated a repositioning of the portions of the District with delinquent Series 2004A Special Assessments for the benefit of the Bondholder which was accomplished pursuant to a Transfer and Transition Agreement dated April 18, 2013, between the District, Trustee, SPE and Delinquent Landowner.

Certain portions of the Delinquent Lands designated parcel A ("**Parcel A**") and parcel J ("**Parcel J**") were sold to D.R. Horton, Inc. ("**Horton**") pursuant to that certain Land Purchase Contract dated as of July 27, 2016, between Horton and the SPE (as amended from time to time, the "**Land Sale Agreement**").

The Land Sale Agreement requires Horton to make certain true up payments to the SPE upon its sale of homes in Parcel A and Parcel J respectively, as follows: (a) ten percent (10%) of sale proceeds above \$225,000 for sales of homes located in Parcel A, and (2) ten percent (10%) of sale proceeds above \$300,000 for sales of homes located in Parcel J (the "**Parcels A&J True-Up Payments**").

In connection with the Land Sale Agreement, Horton entered into a forbearance agreement with the District and the Trustee dated as of November 3, 2017 (the "**Horton Forbearance Agreement**") relating to the Series 2004A Special Assessments that burdened Parcel A and Parcel J

The Horton Forbearance Agreement requires Horton to pay a termination fee of \$703,989.72 on November 1, 2019 (the "**Forbearance Termination Payment**").

Upon the sale of Parcels A and Parcel J and certain other transfers and adjustments, Delinquent Lands continued to be held by the SPE for which the Series 2004A Special Assessments hitherto remained delinquent (the "**Final Parcels**"). The Final Parcels are expected

to be sold and transferred to a buyer in consideration of such buyer's payment of sale proceeds to the SPE (the "**Final Parcels Sale Proceeds**").

The District and the Trustee, at the direction of the Bondholder, now seek to restructure the outstanding \$17,885,000 Original Series 2004A Bonds by trifurcating them (the "**Trifurcation**") into the (a) 1,985,000 remaining Original Series 2004A Bonds which are to remain outstanding (the "**Unexchanged Series 2004A Bonds**") secured solely by the Parcels A&J True-Up Payments; (b) initial principal amount of \$7,612,827 of Capital Improvement Revenue Bonds, Series 2004A-1 (Convertible Capital Appreciation Bonds) (the "**Series 2004A-1 Bonds**"), secured by Series 2004A Special Assessments levied on the Final Parcels, with such specific tax parcels listed in APPENDIX B (the "**Series 2004A-1 Special Assessments**") and the Final Parcels Sale Proceeds; and (c) \$8,285,000 Capital Improvement Revenue Bonds, Series 2004A-2 (the "**Series 2004A-2 Bonds**" and, together with the Series 2004A-1 Bonds, the "**Series 2004A-1/2 Bonds**" or "**Bonds**") secured by the Series 2004A Special Assessments levied on the benefited lots sold to builders, end-users and other landowners that are unaffiliated with the SPE comprised of lots and parcels *other than* the Final Parcels, less and except those properties that have previously prepaid in full Series 2004A Assessments, with such specific tax parcels listed in APPENDIX B (the "**Series 2004A-2 Special Assessments**" and, together with the Series 2004A-1 Special Assessments, the "**Series 2004A-1/2 Special Assessments**" or the "**Special Assessments**") and the Forbearance Termination Payment.

The Trifurcation was authorized and executed under and pursuant to Resolution No. 2019-[] adopted by the Board of the District on August 15, 2019 (the "**Trifurcation Resolution**"), and that certain Master Indenture, as supplemented by that certain Third Supplemental Trust Indenture relating to the Series 2004A-1/2 Bonds (the "**Third Supplemental Indenture**" and, together with the Master Indenture, the "**Series 2004A-1/2 Indenture**") and the Third Amendment to Second Supplemental Trust Indenture (the "**Amendment**" and, together with the Master Indenture, the "**Unexchanged Series 2004A Bond Indenture**"), each dated as of August 1, 2019 by and between the District and the Trustee. The Series 2004A-1/2 Indenture and the Unexchanged Series 2004A Bond Indenture are collectively referred to herein as the "**Indentures**." See APPENDIX A: COPY OF MASTER INDENTURE AND FORMS OF THIRD SUPPLEMENTAL INDENTURE AND AMENDMENT attached hereto.

In connection with the Trifurcation, the Series 2004 Assessment Methodology Report was supplemented by the report of Rizzetta & Co., assessment consultants, setting forth the allocation of the Series 2004A Special Assessments into Series 2004A-1 Special Assessments and Series 2004A-2 Special Assessments by lot and parcel (the "**Trifurcation Assessment Report**"). As part of the Trifurcation, all of the Prior Indenture Funds (as defined herein) held under the Original Indenture will be transferred and applied by the Trustee to

DESCRIPTION OF THE SERIES 2004A-1/2 BONDS

General

The Series 2004A-1/2 Bonds are fully registered bonds, without coupons, in denominations of \$100,000 or integral multiples of \$5,000 in excess thereof.

The Series 2004A-1 Bonds shall be Convertible Capital Appreciation Bonds, shall have an initial principal amount and Maturity Amount, and shall bear interest at the fixed interest rate per annum and shall mature in the amount and on the date set forth below.

Series 2004A-1 Bonds

| Maturity Date | Initial Principal Amount | Maturity Amount | Interest Rate | CUSIP No. |
|---------------|--------------------------|-----------------|---------------|------------|
| May 1, 2035 | \$[7,612,827.20] | \$[8,195,000] | 6.25% | 15721R AD8 |

The Series 2004A-2 Bonds shall be Term Bonds. The Series 2004A-2 Bonds shall bear interest at the fixed interest rates per annum and shall mature in the amounts and on the dates set forth below.

Series 2004A-2 Bonds

| Maturity Date | Principal Amount | Interest Rate | CUSIP No. |
|---------------|------------------|---------------|------------|
| May 1, 2035 | \$[8,285,000] | 6.25% | 15721R AE6 |

The Series 2004A-1 Bonds shall be subject to Conversion on November 1, 2020 (the "Conversion Date").

While the Series 2004A-1 Bonds are Capital Appreciation Bonds they will not bear current interest, but will accrete interest, on each Interest Accrual Date from the date of issuance to the Conversion Date. The initial Accreted Value table for the Series 2004A-1 Bonds while they are Capital Appreciation Bonds is below:"

ACCRETED VALUE TABLE

| Date | Series 2004A-1 Bonds |
|------------|----------------------|
| 08/20/2019 | \$4,644.80 |
| 11/01/2019 | 4,701.55 |
| 05/01/2020 | 4,848.45 |
| 11/01/2020 | 5,000.00 |

After the Conversion Date, the Series 2004A-1 Bonds will be Current Interest Bonds bearing current interest on the Outstanding principal amount as of the Conversion Date at the rate noted above, which shall be due on each Interest Payment Date after Conversion through Maturity.

Each Series 2004A-2 Bond (and each Series 2004A-1 Bond following the Conversion Date) shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication: (i) is an Interest Payment Date to which interest on such Series 2004A-1/2 Bond has been paid, in which event such Series 2004A-1/2 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the Series 2004A-1/2 Bonds, in which event, such Series 2004A-1/2 Bond shall bear interest from its dated date. Interest on the Series 2004A-1/2 Bonds shall be due and payable on each May 1 and November 1, commencing November 1, 2019 in the case of the Series 2004A-2 Bonds, and commencing in the first May 1 or November 1 (as the case may be) following the Conversion Date in the case of the Series 2004A-1 Bonds, and shall be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2004A-1/2 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 2004A-1/2 Bonds and, so long as the Series 2004A-1/2 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" herein for more information about DTC and its book-entry only system.

Redemption Provisions

Optional Redemption.

Series 2004A-1 Bonds. After the Conversion Date, the Series 2004A-1 Bonds may, at the option of the District be called for redemption as a whole, at any time, or in part on any Interest Payment Date, on or after May 1, 2014 (less than all Series 2004A-1 Bonds to be selected by lot), at the Redemption Prices (expressed as percentages of principal amount) set forth in the following table plus accrued interest from the most recent Interest Payment Date to the redemption date:

| Redemption Periods (Dates Inclusive) | Redemption Prices |
|---|------------------------------|
| May 1, 2015 and thereafter | 100% |

Series 2004A-2 Bonds. The Series 2004A-2 Bonds may, at the option of the District be called for redemption as a whole, at any time, or in part on any Interest Payment Date, on or after May 1, 2014 (less than all Series 2004A-2 Bonds to be selected by lot), at the Redemption Prices (expressed as percentages of principal amount) set forth in the following table plus accrued interest from the most recent Interest Payment Date to the redemption date:

| Redemption Periods (Dates Inclusive) | Redemption Prices |
|---|------------------------------|
| May 1, 2015 and thereafter | 100% |

Mandatory Redemption.

Series 2004A-1 Bonds. After the Conversion Date, the Series 2004A-1 Bonds are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the 2004A-1 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:

| <u>Year</u> | <u>Amortization Installments</u> |
|-------------|----------------------------------|
| 2021 | \$340,000 |
| 2022 | 365,000 |
| 2023 | 385,000 |
| 2024 | 410,000 |
| 2025 | 435,000 |
| 2026 | 465,000 |
| 2027 | 495,000 |
| 2028 | 530,000 |
| 2029 | 560,000 |
| 2030 | 600,000 |
| 2031 | 635,000 |
| 2032 | 675,000 |
| 2033 | 720,000 |
| 2034 | 765,000 |
| 2035* | 815,000 |

* Maturity

As more particularly set forth in the Series 2004A-1/2 Indenture, any Series 2004A-1 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of the Series 2004A-1 Bonds. Amortization Installments are also subject to recalculation, as provided in the Series 2004A-1/2 Indenture, as the result of the redemption of Series 2004A-1 Bonds so as to reamortize the remaining Outstanding principal balance of the Series 2004A-1 Bonds as set forth in the Series 2004A-1/2 Indenture.

Series 2004A-2 Bonds. The Series 2004A-2 Bonds are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the 2004A-2 Sinking Fund Account established under the Series 2004A-1/2 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:

| Year | Amortization Installments |
|-------|---------------------------|
| 2020 | \$310,000 |
| 2021 | 330,000 |
| 2022 | 355,000 |
| 2023 | 375,000 |
| 2024 | 400,000 |
| 2025 | 425,000 |
| 2026 | 455,000 |
| 2027 | 480,000 |
| 2028 | 510,000 |
| 2029 | 545,000 |
| 2030 | 580,000 |
| 2031 | 620,000 |
| 2032 | 660,000 |
| 2033 | 700,000 |
| 2034 | 745,000 |
| 2035* | 795,000 |

* Maturity

As more particularly set forth in the Series 2004A-1/2 Indenture, any Series 2004A-2 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of the Series 2004A-2 Bonds. Amortization Installments are also subject to recalculation, as provided in the Series 2004A-1/2 Indenture, as the result of the redemption of Series 2004A-2 Bonds so as to reamortize the remaining Outstanding principal balance of the Series 2004A-2 Bonds as set forth in the Series 2004A-1/2 Indenture.

Extraordinary Mandatory Redemption.

Series 2004A-1 Bonds. After the Conversion Date, the Series 2004A-1 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:

(c) from Prepayments deposited into the 2004A-1 Prepayment Subaccount of the 2004A-1/2 Redemption Account; or

(c) from amounts on deposit in the 2004A-1 Reserve Account, together with other moneys available therefor, sufficient to pay and redeem all of the Series 2004A-1 Bonds then Outstanding, including accrued interest thereon.

Series 2004A-2 Bonds. The Series 2004A-2 Bonds are subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any Interest Payment Date, and if in part by lot in the manner determined by the Bond Registrar and as otherwise provided in the Series 2004A-1/2 Indenture, at the Redemption Price of 100% of the

principal amount thereof, without premium, plus accrued interest to the redemption date, if and to the extent that any one or more of the following shall have occurred:

(a) from Prepayments deposited into the 2004A-2 Prepayment Subaccount of the 2004A-1/2 Redemption Account; or

(b) from amounts on deposit in the 2004A-2 Reserve Account, together with other moneys available therefor, sufficient to pay and redeem all of the Series 2004A-2 Bonds then Outstanding, including accrued interest thereon.

Notice of Redemption

Notice of each redemption of Series 2004A-1/2 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date to each Registered Owner of Series 2004A-1/2 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 Series 2004A-1/2 Indenture, the Series 2004A-1/2 Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Series 2004A-1/2 Bonds or such portions thereof on such date, interest on such Series 2004A-1/2 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2004A-1/2 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Series 2004A-1/2 Indenture and the Owners thereof shall have no rights in respect of such Series 2004A-1/2 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Series 2004A-1/2 Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Effect of Notice of Redemption

On the date designated for redemption of any Series 2004A-1/2 Bonds, notice having been filed and mailed in the manner provided above, the Series 2004A-1/2 Bonds called for redemption shall be due and payable at the Redemption Price provided for the redemption of such Series 2004A-1/2 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 Series 2004A-1/2 Bonds to be redeemed, interest on the Series 2004A-1/2 Bonds called for redemption shall cease to be entitled to any benefit under the Master Indenture, and the Owners of such Series 2004A-1/2 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 Series 2004A-1/2 Bonds shall no longer be deemed to be Outstanding.

BOOK-ENTRY ONLY SYSTEM

The information in this caption concerning DTC and DTC's book-entry system has been obtained from DTC and the District makes any representation or warranty or takes any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Bonds. The 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 Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

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

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

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

Redemption proceeds, distributions, and interest payments on the 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 payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District and/or the Paying Agent, 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 Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 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 (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

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

NEITHER THE DISTRICT NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS. THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS INFORMATION MEMORANDUM.

SECURITY FOR AND SOURCE OF PAYMENT OF SERIES 2004A-1/2 BONDS

General

The Series 2004A-1 Bonds are payable from and secured solely by the Series 2004A-1 Special Assessments and the Final Parcels Sale Proceeds (the "**2004A-1 Pledged Revenues**"), which together with the Funds and Accounts established pursuant to the Series 2004A-1/2 Indenture for the benefit of the Series 2004A-1 Bonds (except for the 2004A-1 Rebate Account and the 2004A-1/2 Costs of Issuance Account) (the "**2004A-1 Pledged Funds**") which shall comprise a part of the Trust Estate securing only the Series 2004A-1 Bonds (the "**2004A-1 Trust Estate**"). The Series 2004A-2 Bonds are payable from and secured solely by the Series 2004A-2 Special Assessments and the Forbearance Termination Payment (the "**2004A-2 Pledged Revenues**" and, together with the 2004A-1 Pledged Revenues, the "**Series 2004A-1/2 Pledged Revenues**"), which together with the Funds and Accounts established pursuant to the Series 2004A-1/2 Indenture for the benefit of the Series 2004A-2 Bonds (except for the 2004A-2 Rebate Account and the 2004A-1/2 Costs of Issuance Account) (the "**2004A-2 Pledged Funds**") which shall comprise a part of the Trust Estate securing only the Series 2004A-2 Bonds (the "**2004A-2 Trust Estate**").

THE SERIES 2004A-1/2 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE SERIES 2004A-1/2 PLEDGED REVENUES PLEDGED THEREFOR UNDER THE SERIES 2004A-1/2 INDENTURE AND NEITHER THE

PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE COUNTY, THE STATE, NOR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2004A-1/2 BONDS. THE SERIES 2004A-1/2 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION.

No Additional Bonds or Parity Capital Assessments

Pursuant to the Series 2004A-1/2 Indenture, the District has covenanted not to issue or incur any obligations payable from the proceeds of the Series 2004A Special Assessments, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge upon such Series 2004A Special Assessments, other than the lien of any subordinate debt and except for fees, commissions, costs, and other charges payable to the Property Appraiser or to the Tax Collector pursuant to Florida law.

WHILE NO FUTURE ADDITIONAL BONDS WILL BE PAYABLE FROM OR SECURED BY THE SERIES 2004A-1/2 SPECIAL ASSESSMENTS PLEDGED AS SECURITY FOR THE BONDS, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF MAY IN THE FUTURE IMPOSE, LEVY AND COLLECT ASSESSMENTS AND TAXES THE LIENS OF WHICH WILL BE CO-EQUAL WITH THE LIEN OF THE SPECIAL ASSESSMENTS SECURING THE BONDS.

Funds and Accounts

Series 2004A-1/2 Bonds

(a) The Funds and Accounts established under the Original Indenture shall remain open for the benefit of the Unexchanged Series 2004A Bonds while the Unexchanged Series 2004A Bonds remain outstanding; however, the amounts on deposit therein shall be transferred into the Funds and Accounts established hereby in accordance with Section 402 of the Series 2004A-1/2 Indenture for the benefit of the Series 2004A-2 Bonds (the "**Prior Indenture Funds**").

(b) There are established within the Debt Service Fund held by the Trustee: (i) a 2004A-1/2 Debt Service Account, a 2004A-1 Sinking Fund Account, a 2004A-2 Sinking Fund Account, a 2004A-1 Interest Account and a 2004A-2 Interest Account; and (ii) a 2004A-1/2 Redemption Account, and, therein a 2004A-1 Prepayment Subaccount, a 2004A-2 Prepayment Subaccount and an Optional Redemption Subaccount.

(c) There is established within the Revenue Fund held by the Trustee a 2004A-1 Revenue Account and a 2004A-2 Revenue Account.

(d) There is established within the Reserve Fund held by the Trustee a 2004A-1 Reserve Account and a 2004A-2 Reserve Account (collectively, the "**Reserve Accounts**").

(e) There is established within the Rebate Fund held by the Trustee a 2004A-1 Rebate Account and a 2004A-2 Rebate Account.

(f) There is established within the Acquisition and Construction Fund held by the Trustee a 2004A-1/2 Costs of Issuance Account.

Reserve Accounts; Reserve Account Requirements

(a) The 2004A-1 Reserve Account, to the extent funded, shall be funded with 2004A-1/2 Investment Obligations. After the Conversion Date, amounts on deposit in the 2004A-1 Reserve Account shall be used only for the purpose of making payments into the 2004A-1 Interest Account and the 2004A-1 Sinking Fund Account to pay Debt Service on the Series 2004A-1 Bonds, when due, without privilege or priority of one Series 2004A-1 Bond over another, to the extent the moneys on deposit in such Account therein and available therefor are insufficient and for no other purpose.

After the Conversion Date, on the earliest date on which there is on deposit in the 2004A-1 Reserve Account, sufficient moneys, taking into account other moneys available therefor, to pay and redeem all of the Outstanding Series 2004A-1 Bonds, together with accrued interest and redemption premium, if any, on such Series 2004A-1 Bonds to the earliest date of redemption permitted herein, the Trustee shall transfer the amount on deposit in the 2004A-1 Reserve Account into the 2004A-1 Prepayment Subaccount to pay and redeem all of the Outstanding Series 2004A-1 Bonds on the earliest date permitted for redemption in the Series 2004A-1/2 Indenture. There is no 2004A-1 Reserve Account Requirement.

(b) The 2004A-2 Reserve Account, to the extent funded, shall be funded with 2004A-1/2 Investment Obligations. Amounts on deposit in the 2004A-2 Reserve Account shall be used only for the purpose of making payments into the 2004A-2 Interest Account and the 2004A-2 Sinking Fund Account to pay Debt Service on the Series 2004A-2 Bonds, when due, without privilege or priority of one Series 2004A-2 Bond over another, to the extent the moneys on deposit in such Account therein and available therefor are insufficient and for no other purpose.

On the earliest date on which there is on deposit in the 2004A-2 Reserve Account, sufficient moneys, taking into account other moneys available therefor, to pay and redeem all of the Outstanding Series 2004A-2 Bonds, together with accrued interest and redemption premium, if any, on such Series 2004A-2 Bonds to the earliest date of redemption permitted herein, the Trustee shall transfer the amount on deposit in the 2004A-2 Reserve Account into the 2004A-2 Prepayment Subaccount to pay and redeem all of the Outstanding Series 2004A-2 Bonds on the earliest date permitted for redemption in the Series 2004A-1/2 Indenture.

The "**2004A-2 Reserve Account Requirement**" shall mean [\$410,859], which amount is equal to 50% of estimated maximum annual debt service on the Series 2004A-2 Bonds.

Transfer and/or Application of Funds

(a) The Final Parcels Sale Proceeds, if paid, shall be deposited into the 2004A-1 Revenue Account.

(b) The Forbearance Termination Payment shall be deposited into the 2004A-2 Revenue Account.

(c) The amounts on deposit in the Prior Indenture Funds held under the Original Indenture shall be transferred into the Funds and Accounts established in the Series 2004A-1/2 Indenture or otherwise applied as set forth below:

(i) \$125,124.26 on deposit in the 2004 Revenue Account shall be transferred to the 2004A-2 Revenue Account;

(ii) \$0.15 on deposit in the 2004A Interest Account shall be transferred to the 2004A-2 Interest Account;

(iii) \$32,987.62 on deposit in the 2004A Reserve Account shall be transferred to the 2004A-1/2 Costs of Issuance Account (it being understood that the Bondholder has agreed to fund certain costs of issuance in excess of such amount in the 2004A-1/2 Costs of Issuance Account via payments made outside of the Trust Estate);

(iv) \$3,489.99 on deposit in the 2004A Prepayment Subaccount shall be transferred to the 2004A-1 Prepayment Subaccount; and

(v) All other funds shall remain in their respective Funds and Accounts pursuant to the Original Indenture.

(d) Additionally, on the date of issuance of the Series 2004A-1/2 Bonds, the Trustee shall deposit [\$410,859] into the 2004A-2 Reserve Account, representing the 2004A-2 Reserve Account Requirement.

Flow of Funds

(a) The Trustee shall deposit into the 2004A-1 Revenue Account any and all amounts required to be deposited therein, 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 2004A-1 Revenue Account shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Series 2004A-1/2 Indenture and from all other moneys of the Trustee.

(b) The Trustee shall deposit into the 2004A-2 Revenue Account any and all amounts required to be deposited therein, 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 2004A-2 Revenue Account shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Series 2004A-1/2 Indenture and from all other moneys of the Trustee.

(c) The District shall deposit the Final Parcels Sale Proceeds, if any, with the Trustee immediately upon receipt and the Trustee shall deposit into the 2004A-1 Revenue Account.

(d) The District shall deposit the Forbearance Termination Payment with the Trustee immediately upon receipt and the Trustee shall deposit into the 2004A-2 Revenue Account.

(e) The District shall deposit Series 2004A-1 Special Assessments with the Trustee immediately upon receipt together with a written accounting setting forth the amounts of such Series 2004A-1 Special Assessments in the following categories which shall be deposited by the Trustee into the Funds and Accounts established pursuant to the Series 2004A-1/2 Indenture as follows:

(i) 2004A-1 Assessment Principal, which shall be deposited into the 2004A-1 Sinking Fund Account;

(ii) 2004A-1 Assessment Interest, which shall be deposited into the 2004A-1 Interest Account;

(iii) 2004A-1 Prepayment Principal, which shall be deposited into the 2004A-1 Prepayment Subaccount in the 2004A-1/2 Redemption Account;

(iv) Delinquent Assessment Principal, which shall first be applied to restore the amount of any withdrawal from the 2004A-1 Reserve Account to pay the principal of the Series 2004A-1 Bonds, and, the balance, if any, shall be deposited into the 2004A-1 Sinking Fund Account;

(v) Delinquent Assessment Interest, which shall first be applied to restore the amount of any withdrawal from the 2004A-1 Reserve Account to pay the interest on the Series 2004A-1 Bonds, and, the balance, if any, deposited into the 2004A-1 Revenue Account; and

(vi) all other 2004A-1 Assessment Revenues, which shall be deposited into the 2004A-1 Revenue Account.

Moneys other than the Final Parcels Sale Proceeds and 2004A-1 Assessment Revenues, shall, at the written direction of the District be deposited into the Optional Redemption Subaccount of the 2004A-1/2 Redemption Account and used to pay the principal of and premium, if any (or the Accreted Value prior to the Conversion Date), on the Series 2004A-1 Bonds called or to be called for redemption at the written direction of the District in accordance with the provisions for redemption of the Series 2004A-1 Bonds as set forth in the form of the Series 2004A-1 Bonds attached to the Series 2004A-1/2 Indenture.

(f) The District shall deposit the Series 2004A-2 Special Assessments with the Trustee immediately upon receipt together with a written accounting setting forth the amounts of such Series 2004A-2 Special Assessments in the following categories which shall be deposited by the Trustee into the Funds and Accounts established pursuant to the Series 2004A-1/2 Indenture and as follows:

(i) 2004A-2 Assessment Principal, which shall be deposited into the 2004A-2 Sinking Fund Account;

(ii) 2004A-2 Assessment Interest, which shall be deposited into the 2004A-2 Interest Account;

(iii) 2004A-2 Prepayment Principal, which shall be deposited into the 2004A-2 Prepayment Subaccount in the 2004A-1/2 Redemption Account;

(iv) 2004A-2 Delinquent Assessment Principal, which shall first be applied to restore the amount of any withdrawal from the 2004A-2 Reserve Account to pay the principal of the Series 2004A-2 Bonds, and, the balance, if any, shall be deposited into the 2004A-2 Sinking Fund Account;

(v) Delinquent Assessment Interest, which shall first be applied to restore the amount of any withdrawal from the 2004A-2 Reserve Account to pay the interest on the Series 2004A-2 Bonds, and, the balance, if any, deposited into the 2004A-2 Revenue Account; and

(vi) all other 2004A-2 Assessment Revenues, which shall be deposited into the 2004A-2 Revenue Account.

Moneys other than the Forbearance Termination Payment and 2004A-2 Assessment Revenues, shall, at the written direction of the District be deposited into the Optional Redemption Subaccount of the 2004A-1/2 Redemption Account and used to pay the principal of and premium, if any, on the Series 2004A-2 Bonds called or to be called for redemption at the written direction of the District in accordance with the provisions for redemption of the Series 2004A-2 Bonds as set forth in the form of the Series 2004A-2 Bonds attached to the Series 2004A-1/2 Indenture.

(f) On each March 15 and September 15 (or if such March 15 or September 15 is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the 2004A-1 Prepayment Subaccount of the 2004A-1/2 Redemption Account and, if the balance therein is greater than zero, shall transfer from the 2004A-1 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 2004A-1 Bonds on the next succeeding Interest Accrual Date or Interest Payment Date, as the case may be, 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 2004A-1 Bonds set forth in the respective form of the Series 2004A-1/2 Bond attached to the Series 2004A-1/2 Indenture, Article III of the Third Supplemental Indenture, and Article III of the Master Indenture.

(g) On each March 15 and September 15 (or if such March 15 or September 15 is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the 2004A-2 Prepayment Subaccount of the 2004A-1/2 Redemption Account and, if the balance therein is greater than zero, shall transfer from the 2004A-2 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 2004A-2 Bonds on the next succeeding Interest Payment 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 2004A-2 Bonds set forth in the respective form of the Series 2004A-1/2 Bond attached to the Series 2004A-1/2 Indenture, Article III of the Third Supplemental Indenture, and Article III of the Master Indenture.

(h) After the Conversion Date, on each May 1 (or if such May 1 is not a Business Day, on the Business Day preceding such May 1), the Trustee shall transfer from amounts on deposit in the 2004A-1 Revenue Account to the Funds and Accounts designated in the Series 2004A-1/2 Indenture, the following amounts in the following order of priority:

FIRST, from the 2004A-1 Revenue Account to the 2004A-1 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all Series 2004A-1 Bonds, then Outstanding on such May 1 or the next successive November 1, less any amounts already on deposit in the 2004A-1 Interest Account not previously credited;

SECOND, to the 2004A-1 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all the Series 2004A-1 Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the 2004A-1 Sinking Fund Account not previously credited;

THIRD, to the 2004A-1 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the 2004A-1 Reserve Account Requirement (if there is one) with respect to the Series 2004A-1 Bonds; and

FOURTH, the balance shall be retained in the 2004A-1 Revenue Account.

Anything in the Series 2004A-1/2 Indenture to the contrary notwithstanding, it shall not, a fortiori, constitute an Event of Default under the Series 2004A-1/2 Indenture if the full amount of the foregoing deposits are not made due to an insufficiency of funds therefor.

(i) Prior to the Conversion Date, the Trustee shall transfer from amounts on deposit in the 2004A-1 Revenue Account to the Funds and Accounts designated in the Series 2004A-1/2 Indenture, the following amounts in the following order of priority:

FIRST, at any time the series 2004A-1 Bonds are subject to redemption, the Trustee shall be authorized to transfer the Series 2004A-1 Interest Account of the amount necessary to pay interest on the Series 2004A-1 Bonds subject to redemption on such date.

(j) On each May 1 (or if such May 1 is not a Business Day, on the Business Day preceding such May 1), the Trustee shall transfer from amounts on deposit in the 2004A-2 Revenue Account to the Funds and Accounts designated below, the following amounts in the following order of priority:

FIRST, from the 2004A-2 Revenue Account to the 2004A-2 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all Series 2004A-2 Bonds,

then Outstanding on such May 1 or the next successive November 1, less any amounts already on deposit in the 2004A-2 Interest Account not previously credited;

SECOND, to the 2004A-2 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all the Series 2004A-2 Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the 2004A-2 Sinking Fund Account not previously credited;

THIRD, to the 2004A-2 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the 2004A-2 Reserve Account Requirement (if there is one) with respect to the Series 2004A-2 Bonds; and

FOURTH, the balance shall be retained in the 2004A-2 Revenue Account.

Anything in the Series 2004A-1/2 Indenture to the contrary notwithstanding, it shall not, a fortiori, constitute an Event of Default under the Series 2004A-1/2 Indenture if the full amount of the foregoing deposits are not made due to an insufficiency of funds therefor.

(k) After the Conversion Date, within ten (10) Business Days after the last Interest Payment Date in each calendar year, the Trustee shall, at the written direction of the District, withdraw any moneys held for the credit of the 2004A-1 Revenue Account which are not otherwise required to be deposited to other 2004A-1 Pledged Funds and Accounts pursuant to this Article and deposit such moneys *first* to the credit of the 2004A-1 Rebate Account in the amount, and to the extent necessary, so the amount on deposit therein equals the accrued rebate obligation under Section 148(f) of the Code, if the Trustee has received certification from the District by such date detailing the amount of such obligation which shall be deposited, and *thereafter* to the District to be used to pay the operating and administrative costs and expense of the District; provided, however, that on the date of such transfer the amount on deposit in the 2004A-1 Reserve Account shall be equal to the 2004A-1 Reserve Account Requirement (if there is one), and provided further, that the Trustee shall not have actual knowledge of an Event of Default under the Series 2004A-1/2 Indenture relating to any of the Series 2004A-1/2 Bonds, including payment of Trustee's fees and expenses then due.

(l) Within ten (10) Business Days after the last Interest Payment Date in each calendar year, the Trustee shall, at the written direction of the District, withdraw any moneys held for the credit of the 2004A-2 Revenue Account which are not otherwise required to be deposited to other 2004A-2 Pledged Funds and Accounts pursuant to this Article and deposit such moneys *first* to the credit of the 2004A-2 Rebate Account in the amount, and to the extent necessary, so the amount on deposit therein equals the accrued rebate obligation under Section 148(f) of the Code, if the Trustee has received certification from the District by such date detailing the amount of such obligation which shall be deposited, and *thereafter* to the District to be used to pay the operating and administrative costs and expense of the District; provided, however, that on the date of such transfer the amount on deposit in the 2004A-2 Reserve Account shall be equal to the 2004A-2 Reserve Account Requirement (if there is one), and provided further, that the Trustee shall not have actual knowledge of an Event of Default under the Series 2004A-1/2 Indenture relating to any of the Series 2004A-1/2 Bonds, including payment of Trustee's fees and expenses then due.

(m) Anything in the Series 2004A-1/2 Indenture to the contrary notwithstanding, earnings on investments in all of the Funds and Accounts held as security for the Series 2004A-1/2 Bonds shall be invested only in 2004A-1/2 Investment Obligations. Earnings on investments in the 2004A-1 Sinking Fund Account and the 2004A-1/2 Redemption Account shall be deposited, as realized, to the credit of the 2004A-1 Revenue Account and used for the purpose of such Account. Earnings on investments in the 2004A-2 Sinking Fund Account and the 2004A-1/2 Redemption Account shall be deposited, as realized, to the credit of the 2004A-2 Revenue Account and used for the purpose of such Account.

Earnings on investments in the 2004A-1 Reserve Account shall be deposited into the 2004A-1 Revenue Account. Earnings on investments in the 2004A-2 Reserve Account shall be deposited into the 2004A-2 Revenue Account.

Investment Accounts

Earnings on investments in the 2004A-1 Reserve Account and 2004A-2 Reserve Account shall be disposed of as provided in Section 403 of the Series 2004A-1/2 Indenture.

Enforcement of Payment of Special Assessments

In addition to, and not in limitation of, the covenants contained elsewhere in the Series 2004A-1/2 Indenture, the District has covenanted in the Series 2004A-1/2 Indenture to levy the Series 2004A-1/2 Special Assessments to make any required "true up" payments as provided in the Assessment Proceedings. The Trifurcation Assessment Report shall not be amended without written consent of the Majority Owners of the Bonds or pursuant to judicial action.

DEVELOPMENT OF THE PROPERTY

General

The District consists of approximately 980.96 gross acres, 475.33 of which are developable, located in the unincorporated northern area of the County east of U.S. 41, south and contiguous to the Charlotte County line. On March 18, 2004, the District filed a petition with the County to expand the District's original geographic service area. The area added lies to the south and to the southeast of the original District boundaries. Pursuant to Ordinance No. 12-11 of the County Board enacted on May 30, 2012, the District's boundaries were modified to add 525.41 acres and remove 19.421 acres.

The Development (the "Development"), also referred to herein as "Herons Glen" is a master planned, active adult residential golf course community. Herons Glen consists of 1,158 acres and is part of the Herons Glen Development of Regional Impact ("DRI"), which was originally approved by the County on April 25, 1988. The DRI is approved for the development of 1,620 detached single-family homes, 540 villas, 540 townhomes, two (2) 18-hole golf courses with clubhouses on 247 acres, a total of 12,000 square feet of commercial area within the clubhouses, sales center, and other amenities on approximately 1,158 total acres of land. Lands within the DRI are separated into two (2) distinct phases within corresponding districts. Lands

within the Herons Glen Recreation District (the "Recreation District") represent the first phase of development, located in the northern portion of the Development ("Phase 1"), and lands within the District represent the second phase of development, located adjacent to, and south of Phase 1 ("Phase II"). Phase II is located wholly within the District and includes 676.34 acres. Lands were initially site-planned for 1,418 single-family residential units and an 18-hole golf course, clubhouse, and other amenities. **[As of June 30, 2019, 576 lots were constructed, 567 performing (9 lots prepaid their assessments) and 842 are located on the Delinquent Lands and not performing (not exactly sure what this means?).** Also, as of June 30, 2019, 377 homes have been constructed, 348 have been sold to end users and 29 are unsold.

Pursuant to Resolution 2002-02, adopted by the Board on April 4, 2002, the District authorized the issuance, sale and delivery of not to exceed \$64,250,000 in aggregate principal amount of its CFM Community Development District Capital Improvement Revenue Bonds, issuable in one or more Series as authorized under the Master Indenture. The District subsequently authorized the issuance of its Original Series 2004 Bonds pursuant to the Master Indenture, as supplemented. The Series 2004A Special Assessments are the primary source of payment for the Original Series 2004A Bonds and are assessed pursuant to the methodology described in the Series 2004 Assessment Methodology Report.

Earthmark was the Series 2004 Project's original developer. Since the issuance of the Original Series 2004A Bonds, the Delinquent Landowner failed to pay the Series 2004A Special Assessments levied against the lands owned by the Delinquent Landowner within the District that were due and owing;

The Trustee, at the direction of the Bondholder created the SPE to take title to the Delinquent Lands to facilitate a repositioning of the portions of the District with delinquent Series 2004A Special Assessments for the benefit of the Bondholder pursuant to a Transfer and Transition Agreement, dated April 18, 2013, between the District, Trustee, SPE and the Delinquent Landowner. Certain portions of the Delinquent Lands designated Parcel A and Parcel J were sold to Horton pursuant to the Land Sale Agreement. The Land Sale Agreement requires Horton to make the Parcels A&J True-Up Payments. The SPE continues to hold the Final Parcels. The Final Parcels are expected to be sold and transferred to a buyer in consideration of such buyer's payment of sale proceeds to the SPE;

The District now seeks to restructure the Original Series 2004A Bonds by bifurcating as follows: the Original Series 2004A Bonds into the (A) Unexchanged Series 2004A Bonds and the (B) Exchanged Series 2004A Bonds, and then the exchange of the Exchanged Series 2004A Bonds into (i) the Series 2004A-1 Bonds and (ii) the Series 2004A-2 Bonds under the terms and conditions agreed to by the District, the SPE, the Trustee, and the Bondholder. The District has determined that it is in its best interest to facilitate and execute the Trifurcation and to properly align the lands within the District with the separate Series of the Series 2004A-1/2 Bonds as set forth in the Trifurcation Assessment Report. The District has determined that the Trifurcation will, among other things, provide the opportunity for the orderly and continued development of the remaining developable land within the District.

The Trifurcation will provide for the delineation of the existing Capital Improvement Revenue Bonds, Series 2004A, into the following categories: (i) Series 2004A-1 Convertible

Capital Appreciation Bonds, secured by assessments levied upon remaining real estate assets owned by the SPE; (ii) Series 2004A-2 Capital Improvement Revenue Bonds, secured by assessments levied upon homebuilder and third-party owned, single-residential units and the landowner of the 18-hole golf course; and (iii) the remaining Series 2004A Bonds shall remain unexchanged and secured by future true-up revenues tied to the Parcel A/J Purchase and Sales Agreement.

Taxes, Fees and Assessments

Pursuant to the County's Tax Collector website, the total millage rate for lands in the District for 2018 is approximately [_____] mills. These taxes are payable in addition to the Special Assessments and any other assessments levied by the District. In addition, exclusive of voter approved millage levied for general obligation bonds, as to which no limit applies, the County and the School District of Lee County, Florida may each levy ad valorem taxes upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes levied by these other entities could be substantially higher than in the current year.

BONDOWNERS' RISKS

There are certain risks inherent in an investment in bonds issued by a public authority or governmental body in the State and secured by special assessments. Certain of these risks are described in other sections of this Information Memorandum. Certain additional risks are associated with the Bonds offered hereby and are set forth below. Prospective investors in the 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 Bonds and have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment. This section does not purport to summarize all risks that may be associated with purchasing or owning the Bonds, and prospective purchasers are advised to read this Information Memorandum in its entirety for a more complete description of investment considerations relating to the Bonds.

Bankruptcy Risks

In the event of the institution of bankruptcy or similar proceedings with respect to the any owner of benefited property, delays could occur in the payment of debt service on the Bonds as such bankruptcy could negatively impact the ability of: (i) the any landowners to pay the Special Assessments; (ii) the Tax Collector to sell tax certificates in relation to such property with respect to the Special Assessments being collected pursuant to the Uniform Method; and (iii) the District to foreclose the lien of the Special Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of the Bonds under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by federal, state and local law and in the Indenture and the Bonds, including, without limitation, enforcement of the obligation to pay Special Assessments and the ability of the District to foreclose the lien of the Special Assessments if not being collected pursuant to the

Uniform Method, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The inability, either partially or fully, to enforce remedies available with respect to the Bonds could have a material adverse impact on the interest of the Owners thereof.

A 2011 bankruptcy court decision in Florida held that the governing body of a community development district, and not the bondholders or indenture trustee, was the creditor of the landowners/debtors in bankruptcy with respect to claims for special assessments, and thus only the district could vote to approve or disapprove a reorganization plan submitted by the debtors in the case. The district voted in favor of the plan. The governing body of the district was at that time elected by the landowners rather than qualified electors. Under the reorganization plan that was approved, a two-year moratorium was placed on the debtor/landowners' payment of special assessments. As a result of this non-payment of assessments, debt service payments on the district's bonds were delayed for two years or longer. The District cannot express any view whether such delegation would be enforceable.

Special Assessments Are Non-Recourse

The principal security for the payment of the principal and interest on the Bonds is the timely collection of the Special Assessments. The Special Assessments do not constitute a personal indebtedness of the landowners of the land subject thereto, but are secured by a lien on such land. There is no assurance that other subsequent landowners will be able to pay the Special Assessments or that they will pay such Special Assessments even though financially able to do so. No landowners are guarantors of payment of any Special Assessment, and the recourse for the failure of the Landowner or any subsequent landowners to pay the Special Assessments is limited to the collection proceedings against the land subject to such unpaid Special Assessments, as described herein. Therefore, the likelihood of collection of the Special Assessments may ultimately depend on the market value of the land subject to taxation. While the ability of the landowners to pay Special Assessments is a relevant factor, the willingness of the landowners to pay the taxes, which may also be affected by the value of the land subject to taxation, is also an important factor in the collection of Special Assessments. The failure of the landowners to pay the Special Assessments could render the District unable to collect delinquent Special Assessments, if any, and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of debt service on the Bonds.

Regulatory and Environmental Risks

The value of the land within the District, the success of the Development and the likelihood of timely payment of principal and interest on the Bonds could be affected by environmental factors with respect to the District Lands. Should the land be contaminated by hazardous materials, this could materially and adversely affect the value of the land in the District, which could materially and adversely affect the success of the development of the District and the likelihood of the timely payment of the Bonds. It is possible that hazardous environmental conditions could exist within the District or in the vicinity of the District and that

such conditions could have a material and adverse impact upon the value of the benefited lands within the District. No assurance can be given that unknown hazardous materials, protected animals or vegetative species, etc., do not currently exist or may not develop in the future, whether originating within the District or from surrounding property, and what effect such may have on the development or sale of the District Lands.

Economic Conditions and Changes in Development Plans

The success of the development of the District and the sale of residential units therein, once such homes are built, may be affected by unforeseen changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Developer. Moreover, the Developer has the right to modify or change its plans for development of the District from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size and number of units to be developed, and may seek in the future, in accordance with and subject to the provisions of the Act, to contract or expand the boundaries of the District.

Other Taxes and Assessments

The willingness and/or ability of an owner of benefited land to pay the Special Assessments could be affected by the existence of other taxes and assessments imposed upon such property by the District, the County or any other local special purpose or general purpose governmental entities. County, school, special district taxes and special assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on debt, including the Special Assessments, collected pursuant to the Uniform Method are payable at one time. Public entities whose boundaries overlap those of the District, could, without the consent of the owners of the land within the District, impose additional taxes on the property within the District. The District anticipates imposing operation and maintenance assessments encumbering the same property encumbered by the Special Assessments. In addition, lands within the District may also be subject to assessments by property and homeowner associations.

Limited Secondary Market for Bonds

The Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Bonds in the event an Owner thereof determines to solicit purchasers of the Bonds. Because the Bonds are being sold pursuant to exemptions from registration under applicable securities laws, no secondary market may develop and an owner may not be able to resell the Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than that paid by the current Owners of the Bonds, depending on the progress of development of the District and the lands within the District, existing real estate and financial market conditions and other factors.

Inadequacy of the Reserve Accounts

Some of the risk factors discussed herein, which, if materialized, would result in a delay in the collection of the Special Assessments, may not adversely affect the timely payment of debt service on the Bonds because of the Reserve Accounts. The ability of the Reserve Accounts to

fund deficiencies caused by delinquent Special Assessments is dependent on the amount, duration and frequency of such deficiencies. Moneys on deposit in the Reserve Accounts may be invested in certain obligations permitted under the Indenture. Fluctuations in interest rates and other market factors could affect the amount of moneys in the Reserve Accounts to make up deficiencies. If the District has difficulty in collecting the Special Assessments, the Reserve Accounts could be rapidly depleted and the ability of the District to pay debt service could be materially adversely affected. In addition, during an Event of Default under the Indenture, the Trustee may withdraw moneys from the Reserve Accounts and such other Funds, Accounts and subaccounts created under the Indenture to pay its extraordinary fees and expenses incurred in connection with such Event of Default. If in fact the Reserve Accounts is accessed for any purpose, the District does not have a designated revenue source for replenishing such account. Moreover, the District may not be permitted to re-assess real property then burdened by the Special Assessments in order to provide for the replenishment of the Reserve Accounts. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE BONDS – Reserve Accounts" herein for more information about the Reserve Accounts.

Legal Delays

If the District should commence a foreclosure action against a landowner for nonpayment of Special Assessments, such landowner may raise affirmative defenses to such foreclosure action. Although the District expects that such affirmative defenses would likely be proven to be without merit, they could result in delays in completing the foreclosure action. It is possible that the District will not have sufficient funds and will be compelled to request the Series 2004A-1/2 Bondholders to allow funds on deposit under the Series 2004A-1/2 Indenture to be used to pay the costs of the foreclosure action. Under the Code, there are limitations on the amounts of Series 2004A-1/2 Bond proceeds that can be used for such purpose.

IRS Examination and Audit Risk

The Internal Revenue Service (the "IRS") routinely examines bonds issued by state and local governments, including bonds issued by community development districts. In 2016, the IRS concluded its lengthy examination of certain issues of bonds (for purposes of this subsection, the "Audited Bonds") issued by Village Center Community Development District (the "Village Center CDD"). Village Center CDD received a ruling dated May 30, 2013, in the form of a non-precedential technical advice memorandum ("TAM") concluding that Village Center CDD is not a political subdivision for purposes of Section 103(a) of the Code because Village Center CDD was organized and operated to perpetuate private control and avoid indefinitely responsibility to an electorate, either directly or through another elected state or local government body. Such a conclusion could lead to the further conclusion that the interest on the Audited Bonds was not excludable from gross income of the owners of such bonds for federal income tax purposes. Village Center CDD received a second TAM dated June 17, 2015 which granted relief to Village Center CDD from retroactive application of the IRS's conclusion regarding its failure to qualify as a political subdivision. Prior to the conclusion of the audits, the Audited Bonds were all refunded with taxable bonds. The audit of the Audited Bonds that were issued for utility improvements were closed without change to the tax exempt status of those Audited Bonds on April 25, 2016, and the audit of the remainder of the Audited Bonds (which funded recreational amenity acquisitions from entities related to the principal landowner in the

Village Center CDD) was closed on July 14, 2016, without the IRS making a final determination that the interest on the Audited Bonds in question was required to be included in gross income. However, the IRS letter to the Village Center CDD with respect to this second set of Audited Bonds noted that the Agency found that the Village Center CDD was not a "proper issuer of tax-exempt bonds" and that those Audited Bonds were private-activity bonds that did not fall in any of the categories that qualify for tax-exemption.

Although the TAMs and the letters to the Village Center CDD from the IRS referred to above are addressed to, and binding only on, the IRS and Village Center CDD in connection with the Audited Bonds, they reflect the audit position of the IRS and there can be no assurance that the IRS would not commence additional audits of bonds issued by other community development districts and other special districts raising issues similar to the issues raised in the case of the Audited Bonds based on the analysis set forth in the first TAM or on the related concerns addressed in the July 14, 2016 letter to the Village Center CDD.

On February 23, 2016, the IRS published proposed regulations designed to provide prospective guidance with respect to potential private business control of issuers by providing a new definition of political subdivision for purposes of determining whether an entity is an appropriate issuer of bonds the interest on which is excluded from gross income for federal tax purposes. The proposed regulations require that a political subdivision (i) have the power to exercise at least one sovereign power, (ii) be formed and operated for a governmental purpose, and (iii) have a governing body controlled by or have significant uses of its funds or assets otherwise controlled by a government unit with all three sovereign powers or by an electorate that is not controlled by an unreasonably small number of unrelated electors. On October 4, 2007, the Treasury Department (the "Treasury") announced that it will withdraw the proposed regulations, starting that, "while Treasury and the IRS continue to study the legal issues relating to political subdivisions, Treasury and the IRS currently believe that these proposed regulations should be withdrawn in their entirety, and plan to publish a withdrawal of the proposed regulations shortly in the Federal Register. Treasury and the IRS may propose more targeted guidance in the future after further study of the relevant legal issues." Notice of withdrawal of the proposed regulations was published in the Federal Register on October 20, 2017.

It has been reported that the IRS has closed audits of other community development districts in Florida with no change to such districts' bonds' tax-exempt status, but has advised such districts that such districts must have public electors within five years of the issuance of tax-exempt bonds or their bonds may be determined to be taxable retroactive to the date of issuance. The Act provides for the transition of the Board of Supervisors of the District based on certain time frames and thresholds as further described in "THE DISTRICT-Board of Supervisors" herein. The District, unlike Village Center CDD, was formed with the intent that it will contain a sufficient number of residents to allow for a transition to control by a general electorate. **[Currently, three members of the Board were elected by the SPE and two members of the Board was elected by qualified electors.]** The District will certify as to its expectations as to the timing of the transition of control of the Board of the District to qualified electors pursuant to the Act, and its expectations as to compliance with the Act by any members of the Board that it elects. Such certification by the District does not ensure that such certification shall be determinative of, or may influence the outcome of any audit by the IRS, or any appeal from such

audit, that may result in an adverse ruling that the District is not a political subdivision for purposes of Section 103(a) of the Code. Further, there can be no assurance that an audit by the IRS of the Bonds will not be commenced. The District has no reason to believe that any such audit will be commenced, or that any such audit, if commenced, would result in a conclusion of noncompliance with any applicable state or federal law.

Owners of the Bonds are advised that, if the IRS does audit the Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the Owners of the Bonds may have limited rights to participate in those proceedings. The commencement of such an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome. In addition, in the event of an adverse determination by the IRS with respect to the tax-exempt status of interest on the Bonds, it is unlikely the District will have available revenues to enable it to contest such determination or enter into a voluntary financial settlement with the IRS. Further, an adverse determination by the IRS with respect to the tax-exempt status of interest on the Bonds would adversely affect the availability of any secondary market for the Bonds. Should interest on the Bonds become includable in gross income for federal income tax purposes, not only will Owners of Bonds be required to pay income taxes on the interest received on such Bonds and related penalties, but because the interest rate on such Bonds will not be adequate to compensate Owners of the Bonds for the income taxes due on such interest, the value of the Bonds may decline.

THE SERIES 2004A-1/2 INDENTURE DOES NOT PROVIDE FOR ANY ADJUSTMENT IN THE INTEREST RATE ON THE BONDS IN THE EVENT OF AN ADVERSE DETERMINATION BY THE IRS WITH RESPECT TO THE TAX-EXEMPT STATUS OF INTEREST ON THE BONDS. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD EVALUATE WHETHER THEY CAN OWN THE BONDS IN THE EVENT THAT THE INTEREST ON THE BONDS BECOMES TAXABLE AND/OR THE DISTRICT IS EVER DETERMINED TO NOT BE A POLITICAL SUBDIVISION FOR PURPOSES OF THE CODE AND/OR SECURITIES ACT (AS HEREINAFTER DEFINED).

Loss of Exemption from Securities Registration

Since the Bonds have not been and will not be registered under the Securities Act of 1933, as amended, or any state securities laws, if the District is ever deemed, by the IRS, judicially or otherwise, not to be a political subdivision for purposes of the Code, it is possible that federal or state regulatory authorities could also determine that the District is not a political subdivision for purposes of the federal and state securities laws. Accordingly, the District and purchasers of Bonds may not be able to rely on the exemption from registration under the Securities Act of 1933, as amended (the "**Securities Act**"), relating to securities issued by political subdivisions. In that event the Owners of the Bonds would need to ensure that subsequent transfers of the Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act.

Federal Tax Reform

Various proposals are mentioned from time to time by members of the Congress of the United States of America and others concerning reform of the internal revenue (tax) laws of the United States. In addition, the Service may, in the future, issue rulings that have the effect of changing the interpretation of existing tax laws. Certain of these proposals and interpretations, if implemented or upheld, could have the effect of diminishing the value of obligations of states and their political subdivisions, such as the Bonds, by eliminating or changing the tax-exempt status of interest on certain of such bonds. Whether any of such proposals will ultimately become or be upheld as law, and if so, the effect such proposals could have upon the value of bonds such as the Bonds, cannot be predicted. However, it is possible that any such law or interpretation could have a material and adverse effect upon the availability of a liquid secondary market and/or the value of the Bonds. See also "TAX MATTERS."

State Tax Reform

It is impossible to predict what new proposals may be presented regarding ad valorem tax reform and/or community development districts during upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Florida Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. On October 31, 2014, the Auditor General of the State released a 31-page report which requests legislative action to establish parameters on the amount of bonds a community development district may issue and provide additional oversight for community development district bonds. This report renews requests made by the Auditor General in 2011 that led to the Governor of the State issuing an Executive Order on January 11, 2012 (the "**Executive Order**") directing the Office of Policy and Budget in the Executive Office of the Governor ("**OPB**") to examine the role of special districts in the State. As of the date hereof, the OPB has not made any recommendations pursuant to the Executive Order nor has the Florida legislature passed any related legislation. It is impossible to predict with certainty the impact that any existing or future legislation will or may have on the security for the Bonds. It should be noted that Section 190.16(14) of the Act provides in pertinent part that "The state pledges to the holders of any bonds issued under the act that it will not limit or alter the rights of the district ... to levy and collect the ... assessments and to fulfill the terms of any agreement made with the holders of such bonds ... and that it will not in any way impair the rights or remedies of such holders."

Payment of Special Assessments after Bank Foreclosure

In the event a bank forecloses on property because of a default on the mortgage and then the bank itself fails, the Federal Deposit Insurance Corporation (the "**FDIC**"), as receiver, will then become the fee owner of such property. In such event, the FDIC will not, pursuant to its own rules and regulations, likely be liable to pay the Special Assessments. In addition, the District would require the consent of the FDIC prior to commencing a foreclosure action.

TAX MATTERS

THE FEDERAL INCOME TAX DISCUSSION SET FORTH BELOW IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY AND SHOULD NOT BE

CONSTRUED AS A LEGAL OPINION OR AS TAX ADVICE TO BONDHOLDERS. BECAUSE INDIVIDUAL CIRCUMSTANCES MAY DIFFER, EACH BONDHOLDER IS URGED TO CONSULT ITS OWN TAX ADVISOR WITH RESPECT TO THE PARTICULAR CONSEQUENCES OF THE TRIFURCATION, INCLUDING THE APPLICABILITY AND EFFECT OF FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND THE EFFECT OF CHANGES IN THE TAX LAW. THE FOLLOWING INFORMATION WAS PROVIDED BY SPECIAL TAX COUNSEL AND THE DISTRICT TAKES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

General

Greenberg Traurig, P.A., Orlando, Florida, has served as Special Tax Counsel to the Trustee in connection with the Trifurcation. See "APPENDIX C – Form of Special Tax Counsel Opinion" to this Information Memorandum for the form of opinion of Special Tax Counsel ("**Special Tax Opinion**").

The Bonds

Federal Income Taxes. The Internal Revenue Code of 1986, as amended (the "**Code**"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excludable from gross income for Federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issue of the Bonds. Pursuant to the Series 2004A-1/2 Indenture and the Arbitrage and Tax Certificate for the Bonds ("**Tax Certificate**"), the District has covenanted to comply with the applicable requirements of the Code in order to maintain the excludability of the interest on the Bonds from gross income for Federal income tax purposes pursuant to Section 103 of the Code. In addition, the District has made certain representations and certifications in the Series 2004A-1/2 Indenture and the Tax Certificate. Special Tax Counsel has assumed, and will not independently verify the accuracy of, those representations and certifications.

In the opinion of Special Tax Counsel, under existing statutes, regulations, rulings and court decisions, subject to the assumption stated in the following paragraph, interest on the Series 2004A-1/2 Bonds is excludable from the gross income of the owners thereof for federal income tax purposes. Furthermore, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals.

In rendering the opinion expressed above, Special Tax Counsel assumed continuing compliance with the tax covenants referred to above that must be met after the issuance of the Series 2004A-1/2 Bonds in order that interest on the Series 2004A-1/2 Bonds not be included in gross income for federal income tax purposes.

Ancillary Tax Matters. Ownership of the Series 2004A-1/2 Bonds may result in other Federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, and

individuals seeking to claim the earned income credit. Ownership of the Series 2004A-1/2 Bonds may also result in other Federal tax consequences to taxpayers who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 2004A-1/2 Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Special Tax Counsel is not rendering any opinion as to any Federal tax matters other than those described in the Special Tax Counsel Opinion. Without limiting the generality of the foregoing, Special Tax Counsel is not rendering any opinion as to any collateral tax consequences of the Trifurcation; except that Special Tax Counsel has provided an opinion to the effect that the Trifurcation will not, separately, in and of itself, (a) have an adverse effect on the excludability from gross income of interest paid on the Unexchanged Series 2004A Bonds, or (b) result in an exchange (a reissuance) of the remaining outstanding Unexchanged Series 2004A Bonds for purposes of Treas. Reg. §1.1001-1(a).

In connection with the original issuance of the Original Series 2004A Bonds, Ruden, McClosky, Smith, Schuster & Russell, P.A., Fort Lauderdale, Florida, served as Bond Counsel to the District and an approving opinion (the "Original Approving Opinion") relating to, among other things, the excludability from gross income for federal income tax purposes of interest on the Original Series 2004A Bonds in connection with the Modification Agreement. Special Tax Counsel delivered an approving tax opinion with respect to the reissuance of the Original Series 2004A Bonds to the effect the interest on the reissued Series 2004A Bonds would be excludable from gross income of the holders thereof for federal income tax purposes from and after the reissuance on February 11, 2011 (the "2011 Opinion"). Special Tax Counsel was not requested to and did not undertake a review of any events that may have occurred since the date of such 2011 Opinion that might affect the federal income tax treatment of the interest on the Unexchanged Series 2004A Bonds or that might change the opinions expressed in such 2011 Opinion. The Special Tax Counsel Opinion, to the extent it addresses the Unexchanged Series 2004A Bonds, is limited to the matters described herein and is not a reissuance or confirmation of any portion of the 2011 Opinion.

Information Reporting and Backup Withholding. Interest paid on tax-exempt obligations such as the Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2004A-1/2 Bonds from gross income for federal income tax purposes. However, in connection with that information reporting requirement, the Code subjects certain noncorporate owners of Series 2004A-1/2 Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Series 2004A-1/2 Bonds and proceeds from the sale of Series 2004A-1/2 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of the Series 2004A-1/2 Bonds. This withholding generally applies if the owner of the Series 2004A-1/2 Bonds (a) fails to furnish the payor such owner's social security number or other taxpayer identification number, (b) furnishes the payor an incorrect taxpayer identification number, (c) fails to properly report interest, dividends or other "reportable payments" as defined in the Code or, (d) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the taxpayer identification number provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2004A-1/2 Bonds may also wish to consult

with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Changes in Federal and State Tax Law. From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Special Tax Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Special Tax Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS.

AGREEMENT BY THE STATE

Under the Act, the State pledges to the holders of any bonds issued thereunder, including the Series 2004A-1/2 Bonds, that it will not limit or alter the rights of the District 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.

VALIDATION

The Series 2004A-1/2 Bonds were validated by final judgment of the Twentieth Judicial Circuit Court in and for Lee County, Florida on May 13, 2002. The appeal period for this judgment has expired with no appeal having been filed.

LEGALITY/SUITABILITY FOR INVESTMENT

In accordance with applicable provisions of Florida law, the Series 2004A-1/2 Bonds may initially be sold by the District only to "Accredited Investors" within the meaning of Chapter 517, Florida Statutes, and the rules of the Florida Department of Financial Services promulgated thereunder. The limitation of the initial offering to Accredited Investors does not

denote restrictions on transfer in any secondary market for the Series 2004A-1/2 Bonds. Investment in the Series 2004A-1/2 Bonds poses certain economic risks. No dealer, broker, salesman or other person has been authorized by the District to give any information or make any representations, other than those contained in this Information Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing.

CONTINUING DISCLOSURE

In connection with the Trifurcation of the Original Series 2004A Bonds the District will execute and deliver, an Acknowledgment of the Continuing Disclosure Agreement for the Original Series 2004A Bonds (the "**Acknowledgment**"). The District has covenanted and agreed therein to comply with the provisions of such Acknowledgment and provide annual and quarterly updates, respectively, of certain financial information and operating data and notice of certain events. However, failure to so comply shall not constitute an Event of Default under the Series 2004A-1/2 Indenture but, instead shall be enforceable by specific performance. A form of the Acknowledgment of the Continuing Disclosure Agreement is attached hereto as APPENDIX D — Form of Acknowledgment of the Continuing Disclosure Agreement.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Rule 69W-400.003, Rules of Government Securities under Section 517.051(1), Florida Statutes, promulgated by the Florida Department of Financial Services, Office of Financial Regulation, Division of Securities and Finance ("Rule 69W-400.003"), requires the District to disclose each and every default as to the payment of principal and interest with respect to obligations issued or guaranteed by the District after December 31, 1975. Rule 69W-400.003 further provides, however, that if the District, in good faith, believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted. The District has previously issued bonds and has been in default as to principal and interest on its bonds. **[The Board adopted Resolution [__-__ on ____], declaring an Event of Default under the Original Indenture with respect to delinquent payments of the Series 2004A Special Assessments.]**

FINANCIAL INFORMATION

The financial statements of the District for the Fiscal Year ended September 30, 2018, is available on EMMA. Beginning October 1, 2015, community development districts in Florida must have a separate website with certain information as set forth in Section 189.069, F.S. Under such statute, each district must post its proposed budget and final budget and a link to the auditor general's website (and the district's audit) on a district website or the website of the municipal or county government. The District has a website and it is <http://cfmccd.com/index.html>.

ENFORCEABILITY OF REMEDIES

The remedies available to the Owners of the Series 2004A-1/2 Bonds upon an event of default under the Series 2004A-1/2 Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Series 2004A-1/2 Indenture for the Series 2004A-1/2 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2004A-1/2 Bonds will be qualified as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

LITIGATION

The District

[TO BE CONFIRMED BY THE DISTRICT]

[There is no litigation pending or, to the knowledge of the District, threatened, against the District of any nature whatsoever which in any way questions or affects the validity of the Series 2004A-1/2 Bonds, the Trifurcation, or any proceedings or transactions relating to the Trifurcation, or the execution of the Series 2004A-1/2 Indenture. Neither the creation, organization or existence of the District, nor the title of the present members of the Board or the District Manager is being contested.]

LEGAL MATTERS

Certain legal matters related to the Trifurcation of the Original Series 2004A Bonds are subject to the approval of Greenberg Traurig, P.A., Orlando, Florida, Special Tax Counsel. Certain legal matters were passed upon for the District by its counsel, Hopping Green & Sams, P.A, Tallahassee, Florida. Additionally, the information provided in the "TAX MATTERS" section of this Information Memorandum was provided by Special Tax Counsel and the District takes no responsibility for the accuracy or completeness of such information.

MISCELLANEOUS

Any statements made in this Information Memorandum involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representations are made that any of the estimates will be realized.

The references herein to the Series 2004A-1/2 Bonds, the Series 2004A-1/2 Indenture, the Acknowledgment of the Continuing Disclosure Agreement, and other documents referred to herein are brief summaries of certain provisions thereof. Such summaries do not purport to be

complete and reference is made to such documents for full and complete statements of such provisions.

This Information Memorandum is submitted for the limited purpose of describing the Trifurcation, the Series 2004A-1/2 Bonds and the Series 2004A-1/2 Indenture and may not be reproduced or used, as a whole or in part, for any purpose. This Information Memorandum is not to be construed as a contract with the Beneficial Owners of any of the Series 2004A-1/2 Bonds.

APPENDIX A

**COPY OF MASTER INDENTURE AND FORMS OF THIRD SUPPLEMENTAL
INDENTURE AND AMENDMENT**

APPENDIX B
COPY OF TRIFURCATION ASSESSMENT REPORT

APPENDIX C

FORM OF SPECIAL TAX COUNSEL OPINION

APPENDIX D
FORM OF ACKNOWLEDGMENT OF THE CONTINUING DISCLOSURE
AGREEMENT

ACTIVE 44320733v6

EXHIBIT D

FORM OF TRIFURCATION ASSESSMENT REPORT

RESOLUTION 2019-09

A RESOLUTION SETTING FORTH THE SPECIFIC TERMS OF THE CFM COMMUNITY DEVELOPMENT DISTRICT'S (THE "DISTRICT") CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2004A-1 AND CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2004A-2; CONFIRMING DISTRICT'S PROVISION OF SERIES 2004 PROJECT; CONFIRMATION OF MAXIMUM ASSESSMENT LIEN FOR THE SERIES 2004A-1/2 BONDS; CONFIRMING, ALLOCATING AND AUTHORIZING THE COLLECTION OF SERIES 2004A SPECIAL ASSESSMENTS SECURING THE SERIES 2004A-1/2 BONDS; PROVIDING FOR UPDATES TO THE IMPROVEMENT LIEN BOOK; PROVIDING FOR CONFLICTS, SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the CFM Community Development District was established by ordinance of the Board of County Commissioners in and for Lee County, Florida, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (the "**Act**"), and is validly existing under the constitution and laws of the State of Florida; and

WHEREAS, the Act authorizes the District to issue bonds for the purpose, among others, of planning, financing, constructing, installing, operating, and/or maintaining certain infrastructure, including roadways, stormwater management systems, water and sewer systems and other infrastructure within or without the boundaries of the District; and

WHEREAS, on May 24, 2004, the District issued its not exceeding \$27,240,000 Capital Improvement Revenue Bonds, Series 2004A (the "**Original Series 2004A Bonds**") and its not exceeding \$15,200,000 Capital Improvement Revenue Bonds, Series 2004B (the "**Series 2004B Bonds**") and, together with the Original Series 2004A Bonds, the "**Original Series 2004 Bonds**"), to finance the design, construction, and/or acquisition of the Series 2004 Project (as hereinafter defined) necessitated by development within the District; and

WHEREAS, the Series 2004B Bonds were redeemed in full during fiscal year 2008; and

WHEREAS, the Original Series 2004A Bonds were issued pursuant to the Act, that certain *Master Trust Indenture*, dated as of July 1, 2003 (as subsequently amended May 1, 2019, the "**Master Indenture**"), as supplemented by that certain *Second Supplemental Trust Indenture*, dated as of May 1, 2004 (as amended by that *First Amendment to Second Supplemental Trust Indenture*, dated as of May 1, 2009, and that *Second Amendment to Second Supplemental Trust Indenture*, dated as of May 1, 2009, collectively, the "**Second Supplemental Indenture**" and, together with the Master Indenture, the "**Original Indenture**") each by and between the District and U.S. Bank National Association, as trustee (the "**Trustee**"); and

WHEREAS, the infrastructure improvements and facilities financed, in part, by the Original Series 2004A Bonds are more specifically described and identified in the *Amended Second Supplemental Engineer's Report*, dated May 10, 2004 (the "**Series 2004 Project**"); and

WHEREAS, the Series 2004 Project was declared complete pursuant to Resolution No. 2008-07, approved on August 1, 2008; and

WHEREAS, pursuant to Resolution Nos. 2002-04, 2002-05, 2002-06, 2003-03, 2003-04, 2004-04, 2013-05, 2013-06, and 2013-11 (collectively the “**Series 2004A Assessment Resolutions**”), the District imposed special assessments (the “**Series 2004A Assessments**”) on developable real property within the boundaries of the District that specially benefits from the Series 2004 Project as described in the Series 2004A Assessment Resolutions and as set forth in the *Preliminary Special Assessment Methodology Report*, dated as of April 1, 2002, as amended by the *Supplemental Special Assessment Methodology Report*, dated July 27, 2003, the *Final Special Assessment Methodology Report*, dated May 20, 2004, and the *First Supplement to May 20, 2004 Final Special Assessment Methodology Report*, dated August 20, 2009, prepared by Rizzetta & Company, Inc. (collectively, the “**Series 2004A Assessment Methodology Report**”); and

WHEREAS, the District intends to bifurcate the \$17,885,000 Outstanding principal amount of CFM Community Development District Capital Improvement Revenue Bonds, Series 2004A, into (i) \$1,985,000 aggregate principal amount of CFM Community Development District Capital Improvement Revenue Bonds, Series 2004A (the “**Unexchanged Series 2004A Bonds**”), secured by the Parcels A&J True-Up Payments, and (ii) \$15,900,000 in aggregate principal amount of CFM Community Development District Capital Improvement Revenue Bonds, Series 2004A (the “**Exchanged Series 2004A Bonds**”) and the exchange of the Exchanged Series 2004A Bonds into (a) \$7,612,827 of initial principal amount of CFM Community Development District Capital Improvement Revenue Bonds, Series 2004A-1 (Convertible Capital Appreciation Bonds) (the “**Series 2004A-1 Bonds**”) and (b) \$8,285,000 aggregate principal amount of CFM Community Development District Capital Improvement Revenue Bonds, Series 2004A-2, (the “**Series 2004A-2 Bonds**” and, together with the Series 2004A-1 Bonds, the “**Series 2004A-1/2 Bonds**”) (collectively, hereinafter referred to as the “**Trifurcation**”); and

WHEREAS, in anticipation of the Trifurcation, the District’s assessment consultant (Rizzetta & Company, Inc.) prepared the *Trifurcation Assessment Report for CFM Community Development District*, dated August 20, 2019 (the “**Trifurcation Assessment Report**”), attached hereto as **Exhibit A**; and

WHEREAS, as a result of the Trifurcation and pursuant to a *Third Supplemental Trust Indenture* and a *Third Amendment to the Second Supplemental Trust Indenture*, each dated as of August 1, 2019 (together, the “**Amended Indenture**”) and each by and between the District and the Trustee, the District will (i) collect Series 2004A Assessments on the developable property identified in [*insert Report reference, once available*] to the Trifurcation Report (such Special Assessments are being referred to as “**Series 2004A-1 Assessments**”) which will be pledged only to the Series 2004A-1 Bonds; (ii) will collect Series 2004A Assessments on the developable property identified in [*insert Report reference, once available*] to the Trifurcation Report (such Special Assessments are herein referred to as “**Series 2004A-2 Assessments**”) which will be pledged only to the Series 2004A-2 Bonds; and

WHEREAS, pursuant to the Amended Indenture, the Unexchanged Series 2004A Bonds will no longer be secured by Series 2004A Assessments; and

WHEREAS, pursuant to and consistent with Series 2004A Assessment Resolutions, the District desires to (i) confirm the District's provision of the Series 2004 Project; (ii) confirm the maximum assessment lien; (iii) confirm and adopt the Trifurcation Assessment Report; and (iii) set forth the particular terms of the Bonds and confirm the lien of the special assessments securing the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE CFM COMMUNITY DEVELOPMENT DISTRICT AS FOLLOWS:

SECTION 1. INCORPORATION OF RECITALS. All of the above representations, findings and determinations contained above are recognized as true and accurate and are expressly incorporated into this Resolution.

SECTION 2. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Florida law, including Chapters 170, 190 and 197, *Florida Statutes*, and Series 2004A Assessment Resolutions.

SECTION 3. CONFIRMATION OF SERIES 2004 PROJECT. The Series 2004 Project serves a proper, essential and valid public purpose, and has been constructed, installed and/or acquired pursuant to the Engineer's Report. The Engineer's Report and, specifically, provision of the Series 2004 Project are hereby confirmed.

SECTION 4. CONFIRMATION OF MAXIMUM ASSESSMENT LIEN FOR THE SERIES 2004A-1/2 BONDS. This Resolution is intended to set forth the specific terms of the Series 2004A-1/2 Bonds and the final amount of the lien of the Series 2004A Assessments securing those Series 2004A-1/2 Bonds. The Series 2004A-1 Bonds, in principal amount of \$_____ shall bear such rates of interest and maturity as shown on **Exhibit B** attached hereto. The Series 2004A-1 Bonds, in principal amount of \$_____ shall bear such rates of interest and maturity as shown on **Exhibit B** attached hereto. Debt service due on the Series 2004A-1/2 Bonds is set forth on **Exhibit C** attached hereto. The lien of the Series 2004A-1 Assessments securing the Series 2004A-1 Bonds on all developable land securing the Series 2004A-1 Bonds as identified in [*insert Report reference, once available*] to the Trifurcation Report shall be the principal amount due on the related series of Series 2004A-1 Bonds, together with accrued but unpaid interest thereon, and together with the amount by which annual assessments are grossed up to include early payment discounts required by law and costs of collection. The lien of the Series 2004A-2 Assessments securing the Series 2004A-2 Bonds on all developable land securing the Series 2004A-2 Bonds as identified in [*insert Report reference, once available*] to the Trifurcation Report shall be the principal amount due on the related series of Series 2004A-2 Bonds, together with accrued but unpaid interest thereon, and together with the amount by which annual assessments are grossed up to include early payment discounts required by law and costs of collection.

SECTION 5. CONFIRMATION AND ALLOCATION OF SERIES 2004A ASSESSMENTS SECURING THE BONDS.

(a) The Series 2004A Assessments for the Series 2004A-1/2 Bonds shall be allocated in accordance with the Trifurcation Report. The Trifurcation Report is consistent with the Series 2004A Assessment Methodology Report. The Trifurcation Report, considered herein, reflects the actual terms of the Series 2004A-1/2 Bonds and is hereby adopted.

(b) Taking into account capitalized interest and earnings on certain funds and accounts as set forth in the Amended Indenture, the District shall begin annual collection of Series 2004A-1 Assessments and the Series 2004A-2 Assessments for the respective Series 2004A-1 Bond and Series 2004A-2 Bond debt service payments using the methods available to it by law. Debt service payments and semi-annual installments of interest are reflected on Exhibit C.

(c) The District hereby certifies the Series 2004A-1 Assessments and Series 2004A-2 Assessments for collection and directs staff to take all actions necessary to meet the time and other deadlines imposed by the Lee County for collection and other Florida law. The District intends, to the extent possible and subject to entering into the appropriate agreements with the Lee County Tax Collector and Lee County Property Appraiser, to collect the Series 2004A-1 Assessments and Series 2004A-2 Assessments on platted lands using the Uniform Method provided in Chapter 197, *Florida Statutes*. The District intends, to the extent possible, to directly bill, collect and enforce the Series 2004A-1 Assessments and Series 2004A-2 Assessments on unplatted lands. The District Manager shall prepare or cause to be prepared each year a tax roll for purposes of effecting the collection of the special assessments and present same to the District Board as required by law. The District Manager is further directed and authorized to take all actions necessary to collect any prepayments of debt as and when due and to collect special assessments on unplatted property using methods available to the District authorized by Florida law.

SECTION 6. IMPROVEMENT LIEN BOOK. Immediately following the adoption of this Resolution, the special assessments as reflected herein shall be recorded by the Secretary of the Board of the District in the District's Improvement Lien Book. The special assessment or assessments against each respective parcel shall be and shall remain a legal, valid and binding first lien on such parcel until paid and such lien shall be coequal with the lien of all state, county, district, municipal or other governmental taxes and superior in dignity to all other liens, titles, and claims.

SECTION 7. OTHER PROVISIONS REMAIN IN EFFECT. This Resolution is intended to supplement the Series 2004A Assessment Resolutions, which remains in full force and effect. This Resolution and the Series 2004A Assessment Resolutions shall be construed to the maximum extent possible to give full force and effect to the provisions of each resolution. All District resolutions or parts thereof in actual conflict with this Resolution are, to the extent of such conflict, superseded and repealed.

SECTION 8. SEVERABILITY. If any section or part of a section of this resolution be declared invalid or unconstitutional, the validity, force and effect of any other section or part of a

section of this resolution shall not thereby be affected or impaired unless it clearly appears that such other section or part of a section of this resolution is wholly or necessarily dependent upon the section or part of a section so held to be invalid or unconstitutional.

SECTION 9. EFFECTIVE DATE. This Resolution shall become effective upon its adoption.

PASSED in Public Session of the Board of Supervisors of the CFM Community Development District, this ___ day of _____, 2019.

ATTEST:

**CFM COMMUNITY DEVELOPMENT
DISTRICT**

SECRETARY/ASST. SECRETARY

CHAIRMAN/VICE-CHAIRMAN

EXHIBIT A
Trifurcation Report

EXHIBIT B

Maturities and Coupon of the Series 2004A-1/2 Bonds

EXHIBIT C

Debt Service Schedule on the Series 2004A-1/2 Bonds

TAB 3

CONTRACT FOR PROFESSIONAL TECHNOLOGY SERVICES

DATE: August 15, 2019

BETWEEN: **RIZZETTA TECHNOLOGY SERVICES, LLC.**
3434 Colwell Avenue
Suite 200
Tampa, Florida 33614

(Hereinafter referred to as "**Consultant**")

AND: **CFM COMMUNITY DEVELOPMENT DISTRICT**
9530 Marketplace Road Suite 206
Ft. Myers, Florida 33912

(Hereinafter referred to as "**District**," and together with Consultant, the "**Parties**.")

PURPOSE; SCOPE OF SERVICES:

- I. The purpose of this contract for technology services (hereinafter referred to as "**Contract**") is for the Consultant to provide professional technology services to the District pursuant to Chapter 189.069, Florida Statutes. A brief description of these services is provided below, and a detailed description is provided in **Exhibit A** to this Contract.

A. ONE-TIME SERVICES. The Consultant shall provide the following One-Time Services to the District pursuant to this Contract:

- i. **Website Development** - Consultant shall provide all required content to a third party responsible for design and implementation of a website for the District to comply with Florida law, including, but not limited to, Chapter 189.069, Florida Statutes, requiring that special districts operate and maintain an official internet website. Details of the required content are shown in **Exhibit A**. Consultant shall secure and register a domain name in the District's name, which the domain shall be owned by the District, for purposes of establishing the website.

- ii. **E-mail Set-up** - Consultant shall establish and register a domain name in the District's name for purposes of setting up and creating individual e-mail addresses for supervisors, staff or employees as designated by the District. Said domain name shall be owned by the District.

B. STANDARD ON-GOING SERVICES. The Consultant shall provide the following Standard On-Going Services on a monthly basis to the District pursuant to this Contract:

- i. **Website Compliance and Management** - Consultant shall be responsible for ensuring District's on-going compliance with Florida law, including, but not limited to, Chapter 189.069, Florida Statutes, requiring that special districts operate and maintain an official internet web site throughout the term of this Contract. Consultant shall maintain the domain for the District. Consultant will manage the website maintenance contract provider and ensure they are meeting the requirements of the contract with the District. Consultant will provide the website maintenance provider with documents and updated content as required in accordance with Chapter 189.0069 Florida Statutes.
- ii. **E-mail** - Consultant shall provide services including ongoing management of e-mail accounts, hosting and backup in compliance with all applicable laws, including public records law and public records retention.

II. ADDITIONAL SERVICES. In addition to the One-Time and Standard On-Going Services described above, or in any addendum executed between the Parties, the District may, from time to time, require additional services from the Consultant. Any services not specifically provided for in the scope of services above as well as any changes in the scope requested by the District, will be considered additional services. If any additional services are required or requested, the Consultant will provide a detailed description of these services and fees for such services to the District for approval prior to beginning any additional services. The Consultant shall undertake the additional services after the District has issued its written approval of the description and fees for such services to the Consultant.

III. LITIGATION SUPPORT SERVICES. Upon the District's request, the Consultant shall prepare documentation in response to litigation requests and provide necessary expert testimony in connection with litigation involving the subject matter of this Contract. If the District requires or requests any litigation support services, the Consultant will provide a detailed description of the services and fees for such services to the District for approval prior to beginning any litigation support services. The Consultant shall undertake the litigation support services after the

District has issued its written approval of the description and fees for such services to the Consultant.

IV. TERM. The Consultant's services as provided in this Contract shall commence upon execution of this Contract. This Contract shall automatically renew annually unless terminated pursuant to its terms. The Consultant may change the prices only with the District's written consent.

V. FEES AND EXPENSES; PAYMENT TERMS.

A. FEES AND EXPENSES.

- i. A schedule of fees for the services described in Sections I, II, and III of this Contract is shown in **Exhibit B** to this Contract, which is attached hereto and incorporated herein. The District shall pay the Consultant for the services provided under the terms of this Contract in accordance with the schedule of fees in **Exhibit B**. For purposes of the Consultant's compensation for services provided pursuant to this Contract, the District shall compensate the Consultant only for those services provided under the terms of this Contract. Unless otherwise specified by this Contract, the Consultant will invoice the District for the Consultant's services in advance of each month and in the amounts set forth in **Exhibit B**. The fees for those services which are not being requested at the time this Contract is approved will be provided to the District at such time as those services are required. Payment shall be made by the District within thirty (30) days of receipt of a correctly submitted invoice.
- ii. Fees for the Standard On-Going Services described in this Contract may be negotiated annually by the Parties. Any amendment to Standard On-Going Services fees must comply with the amendment procedure in this Contract and must be reflected in the adopted General Fund Budget of the District. The District's adoption of the General Fund Budget shall not constitute the District's consent for payment of any expenses.
- iii. In the event the District authorizes a change in the scope of services requested, Consultant shall submit, in writing to the District, a request for a fee amendment corresponding to the change in services being requested, if it has not already done so. Any change in the scope of requested services and the corresponding fee amendment shall comply with the amendment procedure in this Contract. Such amendment must be validly executed by the Parties before Consultant is authorized to begin providing services pursuant to the change in scope and the revised fees are adopted.

- iv. For the purposes of this Contract, an out-of-pocket expense is an expense that the Consultant or one of its subcontractors, if applicable, incurs during the performance of the Standard On-Going Services, as provided in this Contract. Such out-of-pocket expenses are included in the fees shown in **Exhibit B**. Out-of-pocket expenses incurred in connection with the performance of Additional Services and Litigation Support Services will be subject to reimbursement at cost. These expenses include, but are not limited to, airfare, mileage, transportation/parking, lodging, postage and copies.
- v. Fees for services to be billed on an hourly basis will be billed at the Consultant's current hourly rates at the time of the execution of this Contract, as set forth in **Exhibit B**. The hourly rate for the services may be amended from time to time pursuant to the amendment procedure in this Contract and in advance of such proposed change. Consultant's current hourly rates are shown in **Exhibit B** to this Contract. Any proposed change shall indicate the new hourly fee for such services.

B. PAYMENT TERMS.

- i. **One-Time Services.** One-Time Services will be billed at fixed fee pursuant to the schedule shown in **Exhibit B**.
- ii. **Standard On-Going Services.** Standard On-Going Services will be billed monthly at a fixed fee pursuant to the schedule shown in **Exhibit B**.
- iii. **Additional Services.** Additional Services will be billed monthly on an hourly basis for the hours incurred at the Consultant's current hourly rate as shown in **Exhibit B**.
- iv. **Litigation Support Services.** Litigation Support Services will be billed monthly on an hourly basis for the hours incurred at the Consultant's current hourly rate as shown in **Exhibit B**.
- v. **Out-of-Pocket expenses.** Out-of-Pocket expenses of the Consultant will be billed monthly as incurred.

All invoices will be due and payable thirty (30) days from the date of invoice pursuant to the Prompt Payment Act, Chapter 218.70 Florida Statutes.

- VI. **SUSPENSION OF SERVICES FOR NON-PAYMENT.** The Consultant shall have the right to suspend services being provided as outlined in this Contract if the District fails to pay Consultant's invoices in a timely manner, which shall be construed as thirty (30) days from date of the invoice or as otherwise provided by

the Prompt Payment Act, Section 218.70 Florida Statutes. Consultant shall notify the District, in writing, at least ten (10) days prior to suspending services.

VII. NON-CONTINGENCY. The payment of fees and expenses, as outlined in this Contract, are not contingent upon any circumstance not specifically outlined in this Contract.

VIII. AMENDMENT. Amendments to, and waivers of, the provisions contained in this Contract may be made only by an instrument in writing that is executed by both the District and the Consultant.

IX. RESPONSIBILITIES.

A. DISTRICT RESPONSIBILITIES. The District shall provide for the timely services of its legal counsel, engineer, and any other consultants, contractors, or employees, as required, for the Consultant to perform the duties outlined in this Contract. Expenses incurred in providing this support shall be the sole responsibility of the District unless specified herein.

B. LIMITATIONS OF RESPONSIBILITIES. To the extent not referenced herein, Consultant shall not be responsible for the acts or omissions of any other contractor, subcontractor, supplier, or of any other individual or entity performing services that are not under the control of the Consultant or its own employees, contractors, subcontractors, agents or related entities. Consultant shall not be liable for any damage that occurs from Acts of God, which are defined as those caused by windstorm, hail, fire, flood, hurricane, freezing, or other similar occurrences of nature.

X. TERMINATION. This Contract may be terminated as follows:

A. By the District for "good cause" immediately which shall include misfeasance, malfeasance, nonfeasance, or dereliction of duties by the Consultant. Termination for "good cause" shall be affected by written notice to Consultant at the address noted herein.

B. By the Consultant for "good cause", immediately which shall include, but is not limited to, failure of the District to timely pay Consultant for services rendered in accordance with the terms set forth in this Contract, malfeasance, nonfeasance, or dereliction of duties by the District, or upon request or demand by the Board, or any member thereof, for Consultant to undertake any action or implement a policy of the Board which Consultant deems unethical, unlawful, or in contradiction of any applicable federal, state, or municipal law or rule. Termination for "good cause" shall be affected by written notice to District at the address noted herein.

- C.** By the Consultant or District, for any reason, upon provision of a minimum of sixty (60) days written notice of termination to the address noted herein.
- D.** Upon any termination, Consultant will be entitled to the total amount of compensation pursuant to the terms of this Contract, through the termination date, but subject to any offsets that the District may have for services not performed. Consultant will make all reasonable effort to provide for an orderly transfer of the domain(s), e-mails, books and records of the District to the District or its designee. Upon termination, the District will continue to own the domain name, e-mail accounts and e-mail and website content.

XI. GENERAL TERMS AND CONDITIONS.

- A.** All invoices are due and payable within thirty (30) days of invoice date, or as otherwise provided by the Florida Prompt Payment Act, Section 218.70. Florida Statutes. Invoices not paid within thirty (30) days of presentation shall be charged interest on the balance due at the maximum legally permissible rate.
- B.** In the event either party is required to take any action to enforce this Contract, the prevailing party shall be entitled to attorney's fees and costs, including fees and costs incurred in determining entitlement to and reasonableness of such fees and costs.
- C.** This Contract shall be interpreted in accordance with and shall be governed by the laws of the State of Florida. Venue for all proceedings shall be in Lee County, Florida.
- E.** In the event that any provision of this Contract shall be determined to be unenforceable or invalid by a Court of Law, such unenforceability or invalidity shall not affect the remaining provisions of the Contract which shall remain in full force and effect.
- D.** The rights and obligations of the District as defined by this Contract shall inure to the benefit of and shall be binding upon the successors and assigns of the District. There shall be no assignment of this Contract by the Consultant.
- E.** The Consultant and its officers, supervisors, staff, and employees shall use due care to protect the property of the District, its residents, and landowners from damage. The Consultant agrees to take steps to repair any damage resulting from the Consultant's activities and work pursuant to the Contract within twenty-four hours (24) hours.
- F.** Dissolution or court declared invalidity of the District shall not relieve the District of compensation due for services theretofore rendered.

XII. INDEMNIFICATION.

A. DISTRICT INDEMNIFICATION. To the extent allowable under applicable law (and only to the extent of the limitations of liability set forth in Section 768.28, Florida Statutes), and except and to the extent caused by the negligence, reckless and/or willful misconduct of the Consultant or persons or entities within Consultants control and direction, the District agrees to indemnify and hold harmless the Consultant and its officers, supervisors, staff, and employees from and against any and all liability, claims, actions, suits, demands, assessments or judgments asserted and any and all losses, liabilities, damages, costs, court costs, and expenses, including attorney's fees, that Consultant may hereafter incur, become responsible for, or be caused to pay out arising out of or relating to the negligent or intentionally wrongful acts or omissions of the District that relates to the subject matter of this Contract. The indemnification provided for herein shall not be deemed exclusive of any other rights to which the Consultant may be entitled and shall continue after the Consultant has ceased to be engaged under this Contract.

CONSULTANT INDEMNIFICATION. The Consultant agrees to indemnify, defend, and hold harmless the District and its officers, supervisors, staff, and employees from and against any and all liability, claims, actions, suits, demands, assessments or judgments asserted and any and all losses, liabilities, damages, costs, court costs, and expenses, including attorney's fees, that the District may hereafter incur, become responsible for, or be caused to pay out arising out of or relating to the negligent, reckless, and/or intentionally wrongful acts or omissions of the Consultant. The indemnification provided for herein shall not be deemed exclusive of any other rights to which the District may be entitled and shall continue after the Consultant has ceased to be engaged under this Contract.

B. SOVEREIGN IMMUNITY; INDEMNIFICATION OBLIGATIONS. Nothing herein shall be construed to limit the District's sovereign immunity limitations of liability as provided in Section 768.28, Florida Statutes, or other applicable law. Indemnification obligations under this Contract shall include the payment of all settlements, judgments, damages, liquidated damages, penalties, forfeitures, back pay awards, court costs, arbitration and/or mediation costs, litigation expenses, attorney fees, and paralegal fees (incurred in court, out of court, on appeal, or in bankruptcy proceedings) as ordered.

XIII. INSURANCE.

- A.** The District shall provide and maintain Public Official Liability and General Liability insurance policies, each in an amount not less than One Million Dollars (\$1,000,000.00) throughout the term of this Contract.
- B.** The Consultant shall provide and maintain the following levels of insurance coverage at all times throughout the term of this Contract:
 - i.** Worker's Compensation Insurance in accordance with the laws of the State of Florida.
 - ii.** General Liability Insurance with the limit of One Million Dollars (\$1,000,000.00) per each occurrence.
 - iii.** Professional Liability Insurance with limit of no less than One Million Dollars (\$1,000,000.00) per each occurrence.
 - iv.** Employment Practices Liability Insurance with limit of Two Million Dollars (\$2,000,000.00) per each occurrence.
 - v.** Comprehensive Automobile Liability Insurance for all vehicles used by the Consultant's staff, whether owned or hired, with a combined single limit of One Million Dollars (\$1,000,000.00).
- C.** Except with respect to Professional Liability and Worker's Compensation insurance policies, the District and its officers, supervisors, staff, and employees will be listed as additional insureds on each insurance policy described above. None of the policies above may be canceled during the term of this Contract (or otherwise cause the District to not be named as an additional insured where applicable) without thirty (30) days written notice to the District. Consultant will furnish the District with a Certificate of Insurance evidencing compliance with this section upon request. Insurance should be from a reputable insurance carrier, licensed to conduct business in the State of Florida.
- D.** If the Consultant fails to secure or maintain the required insurance, the District has the right (without any obligation to do so, however) to secure such required insurance, in which event the Consultant shall pay the cost for that required insurance and shall furnish, upon demand, all information that may be required in connection with the District's obtaining the required insurance.

- XIV. ASSIGNMENT.** Except as provided in this section, neither the District nor the Consultant may assign this Contract or any monies to become due hereunder without the prior written approval of the other. Any assignment attempted to be

made by the Consultant or the District without the prior written approval of the other party is void.

- XV. COMPLIANCE WITH PUBLIC RECORDS LAWS.** Consultant understands and agrees that all documents of any kind provided to the District in connection with this Contract may be public records, and, accordingly, Consultant agrees to comply with all applicable provisions of Florida law in handling such records, including but not limited to Section 119.0701, Florida Statutes. Consultant acknowledges that the designated public records custodian for the District is Rizzetta & Company, Inc. (“Public Records Custodian”). Among other requirements and to the extent applicable by law, the Consultant shall 1) keep and maintain public records required by the District to perform the service; 2) upon request by the Public Records Custodian, provide the District with the requested public records or allow the records to be inspected or copied within a reasonable time period at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes; 3) ensure that public records which are exempt or confidential and exempt from public records disclosure requirements, are not disclosed except as authorized by law for the duration of the contract term and following the contract term if the Consultant does not transfer the records to the Public Records Custodian of the District; and 4) upon completion of the Contract, transfer to the District, at no cost, all public records in Consultant’s possession or, alternatively, keep, maintain and meet all applicable requirements for retaining public records pursuant to Florida laws. When such public records are transferred by the Consultant, the Consultant shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the District in a format that is compatible with Microsoft Word or Adobe PDF formats.

IF THE CONSULTANT HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONSULTANT’S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (813) 514-0400, OR BY EMAIL AT INFO@RIZZETTA.COM, OR BY REGULAR MAIL AT 3434 COLWELL AVENUE, SUITE 200, TAMPA, FLORIDA 33614.

- XVI. NOTICES.** All notices, requests, consents and other communications under this Contract (“**Notices**”) shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or overnight delivery service, to the parties, as follows:

| | |
|----------------------------|---|
| If to the District: | CFM Community Development District 9530 Marketplace Road Suite 206 Ft. Myers, Florida 33912 Attn: District Manager |
|----------------------------|---|

With a copy to: Hopping Green & Sams, P.A.
119 South Monroe Street, Suite 300 (32301)
P.O. Box 6526
Tallahassee, FL 32314
Attn: District Counsel

If to the Consultant: Rizzetta Technology Services, LLC.
3434 Colwell Avenue, Suite 200
Tampa, Florida 33614

Except as otherwise provided in this Contract, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Contract would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States Government shall not be regarded as business days. Counsel for the District and counsel for the Consultant may deliver Notice on behalf of the District and the Consultant, respectively. Any party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth herein.

- XVII. EFFECTIVE DATE.** This Contract shall become effective upon execution by both the District and the Consultant and shall remain effective until terminated by either the District or the Consultant in accordance with the provisions of this Contract.
- XVIII. HEADINGS FOR CONVENIENCE ONLY.** The descriptive headings in this Contract are for convenience only and shall neither control nor affect the meaning or construction of any of the provisions of this Contract.
- XIX. AGREEMENT; CONFLICTS.** This instrument, together with accompanying **Exhibit A**, shall constitute the final and complete expression of this Contract between the District and the Consultant relating to the subject matter of this Contract. To the extent of any conflict between this instrument and **Exhibit A**, this instrument shall control.
- XX. DEFAULT AND PROTECTION AGAINST THIRD PARTY INTERFERENCE.** A default by either the District or the Consultant under this Contract shall entitle the other to all remedies available at law or in equity, which may include, but not be limited to, the right of damages, injunctive relief, and/or specific performance. The District shall be solely responsible for enforcing its rights under this Contract against any interfering third party. Nothing contained in this Contract shall limit or impair the District's right to protect its rights from interference by a third party to this Contract.

- XXI. THIRD PARTY BENEFICIARIES.** This Contract is solely for the benefit of the District and the Consultant and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Contract. Nothing in this Contract, express or implied, is intended or shall be construed to confer upon any person or corporation other than the District and the Consultant any right, remedy, or claim under or by reason of this Contract or any of the provisions or conditions of this Contract; and all of the provisions, representations, covenants, and conditions contained in this Contract shall inure to the sole benefit of and shall be binding upon the District and the Consultant and their respective representatives, successors, and assigns.
- XXII. COMPLIANCE WITH GOVERNMENTAL REGULATION.** The Consultant shall keep, observe, and perform all requirements of applicable local, State, and Federal laws, rules, regulations, and ordinances. If the Consultant fails to notify the District in writing within five (5) days of the receipt of any notice, order, required to comply notice, or a report of a violation or an alleged violation, made by a local, State, or Federal governmental body or agency or subdivision thereof with respect to the services being rendered under this Contract or any action of the Consultant or any of its agents, servants, employees, or materialmen, or with respect to terms, wages, hours, conditions of employment, safety appliances, or any other requirements applicable to provision of services, or fails to comply with any requirement of such agency within five (5) days after receipt of any such notice, order, request to comply notice, or report of a violation of an alleged violation, the District may terminate this Contract, such termination to be effective immediately upon the giving of notice of termination.
- XXIII. ARM'S LENGTH TRANSACTION.** This Contract has been negotiated fully between the District and the Consultant as an arm's length transaction. The District and the Consultant participated fully in the preparation of this Contract with the assistance of their respective counsel. In the case of a dispute concerning the interpretation of any provision of this Contract, the Parties are deemed to have drafted, chosen, and selected the language, and any doubtful language will not be interpreted or construed against any party.
- XXIV. COUNTERPARTS.** This Contract may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument.

Therefore, the Consultant and the District each intend to enter this Contract, understand the terms set forth herein, and hereby agree to those terms.

ACCEPTED BY:

RIZZETTA TECHNOLOGY SERVICES, LLC.

BY: _____

PRINTED NAME: William J. Rizzetta

TITLE: Managing Member

DATE: _____

WITNESS: _____
Signature

Print Name

CFM COMMUNITY DEVELOPMENT DISTRICT

BY: _____

PRINTED NAME: _____

TITLE: _____

DATE: _____

ATTEST: _____
Secretary/Assistant Secretary
Board of Supervisors

Print Name

**Exhibit A – Scope of Services
Exhibit B – Schedule of Fees**

EXHIBIT A
Scope of Services

ONE-TIME SERVICES: The Consultant shall provide the following One-Time Services to the District pursuant to this Contract.

Website Development - Consultant shall provide all required content to a third party responsible for design and implementation of a website for the District to comply with Florida law, including, but not limited to, Chapter 189.069, Florida Statutes, requiring that special districts operate and maintain an official internet website. Details of the required content are shown in **Exhibit A**. Consultant shall secure and register a domain name in the District's name, which the domain shall be owned by the District, for purposes of establishing the website.

E-mail Set-up - Consultant shall establish and register a domain name in the District's name for purposes of setting up and creating individual e-mail addresses for supervisors, staff or employees as designated by the District. Said domain name shall be owned by the District.

STANDARD ON-GOING SERVICES: The Consultant shall provide the following Standard On-Going Services to the District pursuant to this Contract:

1. **Website Compliance and Management** - Consultant shall be responsible for ensuring District's on-going compliance with Florida law, including, but not limited to, Chapter 189.069, Florida Statutes, requiring that special districts operate and maintain an official internet web site throughout the term of this Contract. Consultant shall maintain the domain for the District. Consultant will manage the website maintenance contract provider and ensure they are meeting the requirements of the contract with the District. Consultant will provide the website maintenance provider with documents and updated content as required in accordance with Chapter 189.0069 Florida Statutes.
2. **E-mail** - Consultant shall provide services including ongoing management of e-mail accounts, hosting and backup in compliance with all applicable laws, including public records law and public records retention.

REQUIRED WEB SITE CONTENT: Pursuant to section 189.016 & 189.069, Florida Statutes, special district web sites will be required to include and make available the following information or documents, which requirements may be changed from time to time and which Consultant shall be responsible for ensuring District compliance associated therewith. Changes to the requirements may be subject to additional fees:

1. The full legal name of the special district.
2. The public purpose of the special district.
3. The name, official address, official e-mail address, and, if applicable, term and

- appointing authority for each member of the governing body of the special district.
4. The fiscal year of the special district.
 5. The full text of the special district's charter, the date of establishment, the establishing entity, and the statute or statutes under which the special district operates, if different from the statute or statutes under which the special district was established. Community development districts may reference chapter 190 as the uniform charter but must include information relating to any grant of special powers.
 6. The mailing address, e-mail address, telephone number, and website uniform resource locator of the special district.
 7. A description of the boundaries or service area of, and the services provided by, the special district.
 8. A listing of all taxes, fees, assessments, or charges imposed and collected by the special district, including the rates or amounts for the fiscal year and the statutory authority for the levy of the tax, fee, assessment, or charge. For purposes of this subparagraph, charges do not include patient charges by a hospital or other health care provider.
 9. The primary contact information for the special district for purposes of communication from the department.
 10. A code of ethics adopted by the special district, if applicable, and a hyperlink to generally applicable ethics provisions.
 11. The budget of the special district and any amendments thereto in accordance with s. 189.016.
 12. Tentative budgets must be posted at least two (2) days before the budget hearing and now remain on District websites for forty-five (45) days.
 13. Final adopted budgets must be posted within thirty (30) days after adoption and now remain on District websites for two (2) years.
 14. Budget amendments must be posted within five (5) days after adoption and now remain on District websites for two (2) years.
 15. The final, complete audit report for the most recent completed fiscal year and audit reports required by law or authorized by the governing body of the special district.
 16. A listing of its regularly scheduled public meetings as required by s. 189.015(1).
 17. The public facilities report, if applicable.
 18. The link to the Department of Financial Services' website as set forth in s. 218.32(1)(g).
 19. At least seven (7) days before each meeting or workshop, the agenda of the event, along with any meeting materials available in an electronic format, excluding confidential and exempt information. The information must remain on the website for at least one (1) year after the event.

LITIGATION SUPPORT SERVICES: Prepare documentation in response to litigation requests and provide necessary expert testimony in connection with litigation involving District issues.

EXHIBIT B
Schedule of Fees

One-Time Services will be billed at a fee pursuant to the following schedule:

| | | | |
|---------------------------------|----------|---------|----------------|
| Website Development: | Yes_____ | No_____ | \$ 750.00 |
| Email Set-up: | Yes_____ | No_____ | \$ 500.00 |
| Total One-Time Services: | | | \$_____ |

Standard On-Going Services will be billed in advance monthly pursuant to the following schedule:

| | | | MONTHLY |
|--|-----------------|--|----------------|
| Website Compliance and Management: | | | \$ 100.00 |
| Email (50 GB per user) at \$15.00 per month per account: | | | |
| Board Supervisor Account | _____ X \$15.00 | | \$_____ |
| Onsite Staff Account | _____ X \$15.00 | | \$_____ |
| Miscellaneous Account | _____ X \$15.00 | | \$_____ |
| Total Standard On-Going Services: | | | \$_____ |

ADDITIONAL AND LITIGATION SUPPORT SERVICES:

Additional and Litigation Support Services will be billed hourly pursuant to the current hourly rates shown below:

| JOB TITLE: | HOURLY RATE: |
|---|---------------------|
| Managing Partner | \$300.00 |
| Chief Financial Officer | \$250.00 |
| Director | \$225.00 |
| Regional District Manager | \$200.00 |
| Financial Services Manager | \$200.00 |
| Accounting Manager | \$200.00 |
| Regional Licensed Community Association Manager | \$200.00 |
| Systems Administrator | \$200.00 |
| District Manager | \$175.00 |
| Licensed Community Association Manager | \$175.00 |
| Amenity Services Manager | \$175.00 |
| Manager, Field Services | \$175.00 |
| Clubhouse Manager | \$175.00 |
| Senior Field Services Manager | \$150.00 |
| Senior Accountant | \$150.00 |
| Field Services Manager | \$125.00 |
| Community Association Coordinator | \$100.00 |
| Financial Associate | \$100.00 |
| Staff Accountant | \$100.00 |
| Accounting Clerk | \$ 85.00 |
| Administrative Assistant | \$ 85.00 |

TAB 4



Rizzetta & Company

CFM Community Development District

www.cfmccd.org

Approved Proposed Budget for Fiscal Year 2019/2020

Presented by: Rizzetta & Company, Inc.

9530 Marketplace Road
Suite 206
Fort Myers, Florida 33912
Phone: 239-936-0913

www.rizzetta.com

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GENERAL FUND BUDGET ACCOUNT CATEGORY DESCRIPTION

The General Fund Budget Account Category Descriptions are subject to change at any time depending on its application to the District. Please note, not all General Fund Budget Account Category Descriptions are applicable to the District indicated above. Uses of the descriptions contained herein are intended for general reference.

REVENUES:

Tax Roll: The District levies Non-Ad Valorem Special Assessments on all of the assessable property within the District to pay for operating expenditures incurred during the Fiscal Year. The assessments may be collected in two ways. The first is by placing them on the County's Tax Roll, to be collected with the County's Annual Property Tax Billing. This method is only available to land properly platted within the time limits prescribed by the County.

Off Roll: For lands not on the tax roll and that is by way of a direct bill from the District to the appropriate property owner.

EXPENDITURES – ADMINISTRATIVE:

Supervisor Fees: The District may compensate its supervisors within the appropriate statutory limits of \$200.00 maximum per meeting within an annual cap of \$4,800.00 per supervisor.

Administrative Services: The District will incur expenditures for the day to today operation of District matters. These services include support for the District Management function, recording and preparation of meeting minutes, records retention and maintenance in accordance with Chapter 119, Florida Statutes, and the District's adopted Rules of Procedure, preparation and delivery of agenda, overnight deliveries, facsimiles and phone calls.

District Management: The District as required by statute, will contract with a firm to provide for management and administration of the District's day to day needs. These service include the conducting of board meetings, workshops, overall administration of District functions, all required state and local filings, preparation of annual budget, purchasing, risk management, preparing various resolutions and all other secretarial duties requested by the District throughout the year is also reflected in this amount.



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District Engineer: The District's engineer provides general engineering services to the District. Among these services are attendance at and preparation for monthly board meetings, review of construction invoices and all other engineering services requested by the district throughout the year.

Disclosure Report: The District is required to file quarterly and annual disclosure reports, as required in the District's Trust Indenture, with the specified repositories. This is contracted out to a third party in compliance with the Trust Indenture.

Trustee's Fees: The District will incur annual trustee's fees upon the issuance of bonds for the oversight of the various accounts relating to the bond issues.

Assessment Roll: The District will contract with a firm to maintain the assessment roll and annually levy a Non-Ad Valorem assessment for operating and debt service expenses.

Financial & Revenue Collections: Services include all functions necessary for the timely billing and collection and reporting of District assessments in order to ensure adequate funds to meet the District's debt service and operations and maintenance obligations. These services include, but are not limited to, assessment roll preparation and certification, direct billings and funding request processing as well as responding to property owner questions regarding District assessments. This line item also includes the fees incurred for a Collection Agent to collect the funds for the principal and interest payment for its short-term bond issues and any other bond related collection needs. These funds are collected as prescribed in the Trust Indenture. The Collection Agent also provides for the release of liens on property after the full collection of bond debt levied on particular properties.

Accounting Services: Services include the preparation and delivery of the District's financial statements in accordance with Governmental Accounting Standards, accounts payable and accounts receivable functions, asset tracking, investment tracking, capital program administration and requisition processing, filing of annual reports required by the State of Florida and monitoring of trust account activity.

Auditing Services: The District is required annually to conduct an audit of its financial records by an Independent Certified Public Accounting firm, once it reaches certain revenue and expenditure levels, or has issued bonds and incurred debt.

Arbitrage Rebate Calculation: The District is required to calculate the interest earned from bond proceeds each year pursuant to the Internal Revenue Code of 1986. The Rebate Analyst is required to verify that the District has not received earnings higher than the yield of the bonds.

Public Officials Liability Insurance: The District will incur expenditures for public officials' liability insurance for the Board and Staff.

Legal Advertising: The District will incur expenditures related to legal advertising. The items for which the District will advertise include, but are not limited to meeting schedules, special meeting notices, and public hearings, bidding etc. for the District based on statutory guidelines



Dues, Licenses & Fees: The District is required to pay an annual fee to the Department of Economic Opportunity, along with other items which may require licenses or permits, etc.

Website Hosting, Maintenance and Email: The District may incur fees as they relate to the development and ongoing maintenance of its own website along with possible email services if requested.

District Counsel: The District's legal counsel provides general legal services to the District. Among these services are attendance at and preparation for monthly board meetings, review of operating and maintenance contracts and all other legal services requested by the district throughout the year.

EXPENDITURES - FIELD OPERATIONS:

Security Services and Patrols: The District may wish to contract with a private company to provide security for the District.

Electric Utility Services: The District will incur electric utility expenditures for general purposes such as irrigation timers, lift station pumps, fountains, etc.

Street Lights: The District may have expenditures relating to street lights throughout the community. These may be restricted to main arterial roads or in some cases to all street lights within the District's boundaries.

Aquatic Maintenance: Expenses related to the care and maintenance of the lakes and ponds for the control of nuisance plant and algae species.

Fountain Service Repairs & Maintenance: The District may incur expenses related to maintaining the fountains within throughout the Parks & Recreational areas

Lake/Pond Bank Maintenance: The District may incur expenditures to maintain lake banks, etc. for the ponds and lakes within the District's boundaries, along with planting of beneficial aquatic plants, stocking of fish, mowing and landscaping of the banks as the District determines necessary.

Wetland Monitoring & Maintenance: The District may be required to provide for certain types of monitoring and maintenance activities for various wetlands and waterways by other governmental entities.

Mitigation Area Monitoring & Maintenance: The District may be required to provide for certain types of monitoring and maintenance activities for various mitigation areas by other governmental entities.



General Liability Insurance: The District will incur fees to insure items owned by the District for its general liability needs

Property Insurance: The District will incur fees to insure items owned by the District for its property needs

Landscape Maintenance: The District will incur expenditures to maintain the rights-of-way, median strips, recreational facilities including pond banks, entryways, and similar planting areas within the District. These services include but are not limited to monthly landscape maintenance, fertilizer, pesticides, annuals, mulch, and irrigation repairs.

Irrigation Repairs: The District will incur expenditures related to repairs of the irrigation systems.

Landscape Replacement: Expenditures related to replacement of turf, trees, shrubs etc.

Sidewalk Repair & Maintenance: Expenses related to sidewalks located in the right of way of streets the District may own if any.

Roadway Repair & Maintenance: Expenses related to the repair and maintenance of roadways owned by the District if any.

Miscellaneous Contingency: Monies collected and allocated for expenses that the District could incur throughout the year, which may not fit into any standard categories.



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DEBT SERVICE FUND BUDGET ACCOUNT CATEGORY DESCRIPTION

The Debt Service Fund Budget Account Category Descriptions are subject to change at any time depending on its application to the District. Please note, not all Debt Service Fund Budget Account Category Descriptions are applicable to the District indicated above. Uses of the descriptions contained herein are intended for general reference.

REVENUES:

Special Assessments: The District may levy special assessments to repay the debt incurred by the sale of bonds to raise working capital for certain public improvements. The assessments may be collected in the same fashion as described in the Operations and Maintenance Assessments.

EXPENDITURES – ADMINISTRATIVE:

Bank Fees: The District may incur bank service charges during the year.

Debt Service Obligation: This would be a combination of the principal and interest payment to satisfy the annual repayment of the bond issue debt.



Proposed Budget
CFM Community Development District
General Fund
Fiscal Year 2019/2020

| | Chart of Accounts Classification | Actual YTD through 06/30/19 | Projected Annual Totals 2018/2019 | Annual Budget for 2018/2019 | Projected Budget variance for 2018/2019 | Budget for 2019/2020 | Budget Increase (Decrease) vs 2018/2019 | Comments |
|----|--|-----------------------------|-----------------------------------|-----------------------------|---|----------------------|---|---|
| 1 | | | | | | | | |
| 2 | REVENUES | | | | | | | |
| 3 | | | | | | | | |
| 4 | Interest Earnings | | | | | | | |
| 5 | Interest Earnings | \$ 953 | \$ 1,271 | \$ - | \$ 1,271 | \$ - | \$ - | |
| 6 | Special Assessments | | | | | | | |
| 7 | Tax Roll* | \$ 90,637 | \$ 90,637 | \$ 89,823 | \$ 814 | \$ 216,700 | \$ 126,877 | |
| 8 | Off Roll* | \$ 287,010 | \$ 287,010 | \$ 287,010 | \$ - | \$ 320,067 | \$ 33,057 | |
| 9 | | | | | | | | |
| 10 | TOTAL REVENUES | \$ 378,600 | \$ 377,647 | \$ 376,833 | \$ 814 | \$ 536,767 | \$ 159,934 | |
| 11 | | | | | | | | |
| 12 | Balance Forward from Prior Year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| 13 | | | | | | | | |
| 14 | TOTAL REVENUES AND BALANCE FORWARD | \$ 378,600 | \$ 377,647 | \$ 376,833 | \$ 814 | \$ 536,767 | \$ 159,934 | |
| 15 | | | | | | | | |
| 16 | <i>*Allocation of assessments between the Tax Roll and Off Roll are estimates only and subject to change prior to certification.</i> | | | | | | | |
| 17 | | | | | | | | |
| 18 | EXPENDITURES - ADMINISTRATIVE | | | | | | | |
| 19 | | | | | | | | |
| 20 | Legislative | | | | | | | |
| 21 | Supervisor Fees | \$ 5,000 | \$ 6,667 | \$ 10,000 | \$ 3,333 | \$ 10,000 | \$ - | Est. 10 meetings per year, \$ 200.00 per Supervisor |
| 22 | Financial & Administrative | | | | \$ - | | | |
| 23 | Administrative Services | \$ 4,050 | \$ 5,400 | \$ 5,400 | \$ - | \$ 5,400 | \$ - | No Increase for FY 2019-20 |
| 24 | District Management | \$ 12,750 | \$ 17,000 | \$ 17,000 | \$ - | \$ 17,400 | \$ 400 | Increase of 2.75% |
| 25 | District Engineer | \$ 43,290 | \$ 57,720 | \$ 20,000 | \$ (37,720) | \$ 24,000 | \$ 4,000 | |
| 26 | Disclosure Report | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ - | \$ 5,000 | \$ - | |
| 27 | Trustees Fees | \$ - | \$ - | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ - | |
| 28 | Assessment Roll | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ - | \$ 5,000 | \$ - | No Increase for FY 2019-20 |
| 29 | Financial & Revenue Collections | \$ 3,750 | \$ 5,000 | \$ 5,000 | \$ - | \$ 5,000 | \$ - | No Increase for FY 2019-20 |
| 30 | Accounting Services | \$ 12,780 | \$ 17,040 | \$ 17,040 | \$ - | \$ 18,000 | \$ 960 | Includes increase of 2.75% |
| 31 | Auditing Services | \$ 4,300 | \$ 4,300 | \$ 4,300 | \$ - | \$ 4,500 | \$ 200 | As per Audit Agreement with Carr |
| 32 | Arbitrage Rebate Calculation | \$ 500 | \$ 500 | \$ 500 | \$ - | \$ 500 | \$ - | As per Agreement with LLS Tax Solutions |
| 33 | Miscellaneous Mailings | \$ - | \$ - | \$ - | \$ - | \$ 500 | \$ 500 | |
| 34 | Public Officials Liability Insurance | \$ 2,750 | \$ 2,750 | \$ 3,025 | \$ 275 | \$ 3,025 | \$ - | As per Estimate provided by Egis |
| 35 | Legal Advertising | \$ 271 | \$ 361 | \$ 1,000 | \$ 639 | \$ 1,000 | \$ - | |
| 36 | Dues, Licenses & Fees | \$ 386 | \$ 515 | \$ 735 | \$ 220 | \$ 735 | \$ - | Department of Economic Opportunity \$ 175.00 Filing Fee plus NPDES Permit Fees \$ 560.00. |
| 37 | Property Taxes | \$ 461 | \$ 461 | \$ 21 | \$ (440) | \$ 21 | \$ - | Lee County Solid Waste Assessment |
| 38 | Tax Collector /Property Appraiser Fees | \$ 321 | \$ 321 | \$ 321 | \$ - | \$ 321 | \$ - | Lee County Tax Collector Fees \$ 1.00 per parcel |
| 39 | Website Hosting, Maintenance, Backup (and Email) | \$ 1,575 | \$ 2,100 | \$ 2,100 | \$ - | \$ 8,000 | \$ 5,900 | Email hosting \$ 15.00 per email and \$ 100.00 website hosting. This includes ADA remediation of the website. |
| 40 | Legal Counsel | | | | | | | |
| 41 | District Counsel | \$ 41,931 | \$ 55,908 | \$ 30,000 | \$ (25,908) | \$ 30,000 | \$ - | |
| 42 | | | | | | | | |
| 43 | Administrative Subtotal | \$ 144,115 | \$ 186,043 | \$ 138,942 | \$ (47,101) | \$ 150,902 | \$ 11,960 | |
| 44 | | | | | | | | |
| 45 | EXPENDITURES - FIELD OPERATIONS | | | | | | | |
| 46 | | | | | | | | |
| 47 | Electric Utility Services | | | | | | | |
| 48 | Utility Services | \$ 5,200 | \$ 6,933 | \$ 26,000 | \$ 19,067 | \$ 26,000 | \$ - | Aerator utility cost \$ 500.00 per month plus additional utility costs for 4 new fountains being installed. |
| 49 | Street Lights | \$ 15,196 | \$ 20,261 | \$ 28,000 | \$ 7,739 | \$ 28,000 | \$ - | Monthly AVG \$ 1665.77. LCEC costs additional 32 lights for parcels A & J included |
| 50 | Stormwater Control | | | | | | | |
| 51 | Aquatic Maintenance | \$ 17,530 | \$ 23,373 | \$ 21,036 | \$ (2,337) | \$ 27,336 | \$ 6,300 | Soilute agreement includes two new additional ponds |
| 52 | Fountain Service Repairs & Maintenance | \$ 6,125 | \$ 8,167 | \$ 7,500 | \$ (667) | \$ 7,500 | \$ - | Aerator Agreement and Water \$ 625.00 per month plus additional fountain maintenance \$ 600.00 per quarter |
| 53 | Lake/Pond Bank Maintenance | \$ - | \$ - | \$ 14,000 | \$ 14,000 | \$ 14,000 | \$ - | |
| 54 | Wetland Monitoring & Maintenance | \$ 27,678 | \$ 36,904 | \$ 60,000 | \$ 23,096 | \$ 146,803 | \$ 86,803 | New agreement with Earth Tech Environmental. |
| 55 | Other Physical Environment | | | | | | \$ - | |
| 56 | General Liability Insurance | \$ 3,250 | \$ 3,250 | \$ 3,575 | \$ 325 | \$ 3,575 | \$ - | As per Egis estimate. |
| 57 | Property Insurance | \$ 1,601 | \$ 1,601 | \$ 1,761 | \$ 160 | \$ 1,761 | \$ - | As per Egis estimate. |
| 58 | Landscape Maintenance | \$ 34,935 | \$ 46,580 | \$ 41,940 | \$ (4,640) | \$ 76,290 | \$ 34,350 | As per contract with Master Association \$ 6,357.52 per month. |
| 59 | Irrigation Repairs | \$ - | \$ - | \$ 2,900 | \$ 2,900 | \$ 2,900 | \$ - | |
| 60 | Landscape Miscellaneous | \$ - | \$ - | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ - | Misc. landscaping expenses not covered under contract ex tree removals. |
| 61 | Landscape Replacement Plants, Shrubs, Trees | \$ - | \$ - | \$ 4,500 | \$ 4,500 | \$ 10,000 | \$ 5,500 | |
| 62 | Road & Street Facilities | | | | | | | |
| 63 | Street/ Parking Lot Sweeping | \$ - | \$ - | \$ 5,700 | \$ 5,700 | \$ 5,700 | \$ - | |
| 64 | Sidewalk Repair & Maintenance | \$ 4,902 | \$ - | \$ 1,000 | \$ 1,000 | \$ 10,000 | \$ 9,000 | |
| 65 | Street Sign Repair & Replacement | \$ 4,630 | \$ 6,173 | \$ 1,000 | \$ (5,173) | \$ 5,000 | \$ 4,000 | |
| 66 | Roadway Repair & Maintenance | \$ 5,562 | \$ 7,416 | \$ 3,000 | \$ (4,416) | \$ 3,000 | \$ - | |
| 67 | Contingency | | | | | | | |
| 68 | Miscellaneous Contingency | \$ 120,002 | \$ 120,002 | \$ 12,979 | \$ (107,023) | \$ 15,000 | \$ 2,021 | |
| 69 | | | | | | | | |
| 70 | Field Operations Subtotal | \$ 246,611 | \$ 280,661 | \$ 237,891 | \$ (42,770) | \$ 385,865 | \$ 147,974 | |
| 71 | | | | | | | | |
| 72 | Contingency for County TRIM Notice | | | | | | | |
| 73 | | | | | | | | |
| 74 | TOTAL EXPENDITURES | \$ 390,726 | \$ 466,704 | \$ 376,833 | \$ (89,871) | \$ 536,767 | \$ 159,934 | |
| 75 | | | | | | | | |
| 76 | EXCESS OF REVENUES OVER EXPENDITURES | \$ (12,126) | \$ (89,057) | \$ - | \$ (89,057) | \$ - | \$ - | |

Budget Template
CFM (Magnolia Landing) Community Development District
Debt Service
Fiscal Year 2019/2020

| Chart of Accounts Classification | Series 2004A ⁽¹⁾ | Budget for 2019/2020 |
|---|-----------------------------|-------------------------|
| REVENUES | | |
| Special Assessments | | |
| Net Special Assessments ⁽¹⁾ | \$805,032.95 | \$805,032.95 |
| TOTAL REVENUES | \$805,032.95 | \$805,032.95 |
| EXPENDITURES | | |
| Administrative | | |
| Financial & Administrative | | |
| Debt Service Obligation | \$805,032.95 | \$805,032.95 |
| Administrative Subtotal | \$805,032.95 | \$805,032.95 |
| TOTAL EXPENDITURES | \$805,032.95 | \$805,032.95 |
| EXCESS OF REVENUES OVER EXPENDITURES | \$0.00 | \$0.00 |

(2) Early Payment Discounts: 4.0%

Gross assessments \$838,575.99

Notes:

Tax Roll Early Payment Discount is 4.0% of Tax Roll. Budgeted net of tax roll assessments. See Assessment Table.

(1) Debt assessments on Unplatted lands are no longer being held in abeyance for FY 2019-2020.

(2) Lee County collection costs changed from \$1.42 per parcel/line to \$1.45 per parcel/line.

CFM Community Development District

FISCAL YEAR 2019/2020 O&M & DEBT SERVICE ASSESSMENT SCHEDULE

| | |
|--|----------------------------|
| 2019/2020 O&M Budget | \$536,767.00 |
| Lee County 4.0% Early Payment Discount: | \$22,365.29 |
| ⁽¹⁾ Tax Collector Fee (\$1.45 PER PARCEL / LI | \$2,056.10 |
| 2019/2020 Total: | <u><u>\$561,188.39</u></u> |

| | |
|----------------------|----------------------------|
| 2018/2019 O&M Budget | \$376,833.00 |
| 2019/2020 O&M Budget | \$536,767.00 |
| Total Difference: | <u><u>\$159,934.00</u></u> |

| | PER UNIT ANNUAL ASSESSMENT | | Proposed Increase / Decrease | |
|--------------------------------------|----------------------------|-------------------|------------------------------|--------------|
| | 2018/2019 | 2019/2020 | \$ | % |
| Debt Service - Residential | \$1,478.97 | \$1,478.97 | \$0.00 | 0.00% |
| Operations/Maintenance - Residential | \$278.27 | \$395.76 | \$117.49 | 42.22% |
| Total | \$1,757.24 | \$1,874.73 | \$117.49 | 6.69% |
| <hr/> | | | | |
| Debt Service - Golf Course | \$1,478.97 | \$1,478.97 | \$0.00 | 0.00% |
| Operations/Maintenance - Golf Course | \$278.27 | \$395.76 | \$117.49 | 42.22% |
| Total | \$1,757.24 | \$1,874.73 | \$117.49 | 6.69% |

⁽¹⁾ Lee County collection costs changed from \$1.42 per parcel/line to \$1.45 per parcel/line.

CFM

FISCAL YEAR 2019/2020 O&M & DEBT SERVICE ASSESSMENT SCHEDULE

| | | |
|---|------|---------------------|
| TOTAL O&M BUDGET | | \$536,767.00 |
| EARLY PAYMENT DISCOUNT | 4.0% | \$22,365.29 |
| ⁽⁶⁾ TAX COLLECTOR FEE (\$1.45 PER PARCEL / LINE) | | \$2,056.10 |
| TOTAL O&M ASSESSMENT | | \$561,188.39 |

| LOT SIZE | UNITS ASSESSED | | ALLOCATION OF O&M ASSESSMENT | | |
|------------------------|----------------------|--|------------------------------|----------------|---------------------------------|
| | SERIES 2004 O&M | SERIES 2004 DEBT SERVICE ⁽¹⁾⁽²⁾ | TOTAL EAU's | % TOTAL EAU's | TOTAL O&M BUDGET ⁽⁵⁾ |
| Platted Parcels | | | | | |
| Residential | 558 | 549 | 558.00 | 39.35% | \$220,834.36 |
| Golf Course | 18 | 18 | 18.00 | 1.27% | \$7,123.69 |
| Total Platted | 576 | 567 | 576.00 | 40.62% | \$227,958.05 |
| Unplatted Lands | Planned Units | | | | |
| Residential | 842 | 842 | 842.00 | 59.38% | \$333,230.34 |
| Total Unplatted | 842 | 842 | 842.00 | 59.38% | \$333,230.34 |
| Total Community | 1418 | 1409 | 1418.00 | 100.00% | \$561,188.39 |

| PER LOT ANNUAL ASSESSMENT | | |
|---------------------------|-----------------------------|----------------------|
| O&M | DEBT SERVICE ⁽³⁾ | TOTAL ⁽⁴⁾ |
| \$395.76 | \$1,478.97 | \$1,874.73 |
| \$395.76 | \$1,478.97 | \$1,874.73 |
| \$395.76 | \$1,478.97 | \$1,874.73 |

LESS: Lee County Collection Costs (\$1.45 per parcel / line) and Early Payment Discounts (4%): **(\$24,421.39)**

Net Revenue to be Collected \$536,767.00

UNPLAT BY ACREAGE 353.80 353.80 \$333,230.34

| PER ACRE ASSESSMENTS - UNPLATTED | | |
|----------------------------------|------------|------------|
| O&M | DEBT | TOTAL |
| \$941.86 | \$3,519.76 | \$4,461.62 |

- (1) Reflects nine (9) Series 2004 prepayments.
- (2) Reflects the number of total lots with Series 2004 debt outstanding.
- (3) Annual debt service assessment per lot adopted in connection with the Series 2004 bond issue. Annual assessment includes principal, interest, Lee County collection costs (\$1.45 per parcel) and early payment discount costs (4%).
- (4) Annual assessment that will appear on November 2019 Lee County property tax bill. Amount shown includes all applicable collection costs. Property owner is eligible for a discount of up to 4% if paid early.
- (5) Debt Assessments on the unplatted lands are no longer being held in abeyance for FY 2019-2020.

RESOLUTION 2019-06

THE ANNUAL APPROPRIATION RESOLUTION OF THE CFM COMMUNITY DEVELOPMENT DISTRICT (“DISTRICT”) RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2019, AND ENDING SEPTEMBER 30, 2020; AUTHORIZING BUDGET AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the District Manager has, prior to the fifteenth (15th) day in June, 2019, submitted to the Board of Supervisors (“**Board**”) of the CFM Community Development District (“**District**”) a proposed budget (“**Proposed Budget**”) for the fiscal year beginning October 1, 2019 and ending September 30, 2020 (“**Fiscal Year 2019/2020**”) along with an explanatory and complete financial plan for each fund of the District, pursuant to the provisions of Section 190.008(2)(a), *Florida Statutes*; and

WHEREAS, at least sixty (60) days prior to the adoption of the Proposed Budget, the District filed a copy of the Proposed Budget with the local governing authorities having jurisdiction over the area included in the District pursuant to the provisions of Section 190.008(2)(b), *Florida Statutes*; and

WHEREAS, the Board set a public hearing thereon and caused notice of such public hearing to be given by publication pursuant to Section 190.008(2)(a), *Florida Statutes*; and

WHEREAS, the District Manager posted the Proposed Budget on the District’s website at least two days before the public hearing; and

WHEREAS, Section 190.008(2)(a), *Florida Statutes*, requires that, prior to October 1st of each year, the Board, by passage of the Annual Appropriation Resolution, shall adopt a budget for the ensuing fiscal year and appropriate such sums of money as the Board deems necessary to defray all expenditures of the District during the ensuing fiscal year; and

WHEREAS, the District Manager has prepared a Proposed Budget, whereby the budget shall project the cash receipts and disbursements anticipated during a given time period, including reserves for contingencies for emergency or other unanticipated expenditures during the fiscal year.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE CFM COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. BUDGET

- a. The Board has reviewed the Proposed Budget, a copy of which is on file with the office of the District Manager, and hereby approves certain amendments thereto, as shown in Section 2 below.
- b. The Proposed Budget, attached hereto as **Exhibit “A,”** as amended by the Board, is hereby adopted in accordance with the provisions of Section 190.008(2)(a), *Florida Statutes* (“**Adopted Budget**”), and incorporated

herein by reference; provided, however, that the comparative figures contained in the Adopted Budget may be subsequently revised as deemed necessary by the District Manager to reflect actual revenues and expenditures.

- c. The Adopted Budget, as amended, shall be maintained in the office of the District Manager and at the District's Local Records Office and identified as "The Budget for the CFM Community Development District for the Fiscal Year Ending September 30, 2020."
- d. The Adopted Budget shall be posted by the District Manager on the District's official website within thirty (30) days after adoption, and shall remain on the website for at least 2 years.

SECTION 2. APPROPRIATIONS

There is hereby appropriated out of the revenues of the District, for Fiscal Year 2019/2020, the sum of \$ _____ to be raised by the levy of assessments and/or otherwise, which sum is deemed by the Board to be necessary to defray all expenditures of the District during said budget year, to be divided and appropriated in the following fashion:

| | |
|---------------------------------|----------|
| TOTAL GENERAL FUND | \$ _____ |
| DEBT SERVICE FUND (SERIES 2004) | \$ _____ |
| TOTAL ALL FUNDS | \$ _____ |

SECTION 3. BUDGET AMENDMENTS

Pursuant to Section 189.016, *Florida Statutes*, the District at any time within Fiscal Year 2019/2020 or within 60 days following the end of the Fiscal Year 2019/2020 may amend its Adopted Budget for that fiscal year as follows:

- a. The Board may authorize an increase or decrease in line item appropriations within a fund by motion recorded in the minutes if the total appropriations of the fund do not increase.
- b. The District Manager or Treasurer may authorize an increase or decrease in line item appropriations within a fund if the total appropriations of the fund do not increase and if the aggregate change in the original appropriation item does not exceed \$10,000 or 10% of the original appropriation.
- c. By resolution, the Board may increase any appropriation item and/or fund to reflect receipt of any additional unbudgeted monies and make the corresponding change to appropriations or the unappropriated balance.
- d. Any other budget amendments shall be adopted by resolution and consistent with Florida law.

The District Manager or Treasurer must establish administrative procedures to ensure that any budget amendments are in compliance with this Section 3 and Section 189.016, *Florida Statutes*, among other applicable laws. Among other procedures, the District Manager or Treasurer must ensure that any amendments to budget under subparagraphs c. and d. above are posted on the District's website within 5 days after adoption and remain on the website for at least 2 years.

SECTION 4. EFFECTIVE DATE. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED THIS 15TH DAY OF AUGUST, 2019.

ATTEST:

**CFM COMMUNITY DEVELOPMENT
DISTRICT**

Secretary/Assistant Secretary

By: _____
Chairman/Vice Chairman

Exhibit A: Fiscal Year 2019/2020 Budgets

Exhibit A

Fiscal Year 2019/2020 Budgets

RESOLUTION 2019-07

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE CFM COMMUNITY DEVELOPMENT DISTRICT MAKING A DETERMINATION OF BENEFIT AND IMPOSING SPECIAL ASSESSMENTS FOR FISCAL YEAR 2019/2020; PROVIDING FOR THE COLLECTION AND ENFORCEMENT OF SPECIAL ASSESSMENTS, INCLUDING BUT NOT LIMITED TO PENALTIES AND INTEREST THEREON; CERTIFYING AN ASSESSMENT ROLL; PROVIDING FOR AMENDMENTS TO THE ASSESSMENT ROLL; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the CFM Community Development District ("**District**") is a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, for the purpose of providing, operating and maintaining infrastructure improvements, facilities and services to the lands within the District; and

WHEREAS, the District is located in Lee County, Florida ("**County**"); and

WHEREAS, the District has constructed or acquired various infrastructure improvements and provides certain services in accordance with the District's adopted capital improvement plan and Chapter 190, *Florida Statutes*; and

WHEREAS, the Board of Supervisors ("**Board**") of the District hereby determines to undertake various operations and maintenance and other activities described in the District's budget ("**Adopted Budget**") for the fiscal year beginning October 1, 2019 and ending September 30, 2020 ("**Fiscal Year 2019/2020**"), attached hereto as **Exhibit "A,"** and

WHEREAS, the District must obtain sufficient funds to provide for the operation and maintenance of the services and facilities provided by the District as described in the Adopted Budget; and

WHEREAS, the provision of such services, facilities, and operations is a benefit to lands within the District; and

WHEREAS, Chapter 190, *Florida Statutes*, provides that the District may impose special assessments on benefitted lands within the District; and

WHEREAS, it is in the best interests of the District to proceed with the imposition of the special assessments for operations and maintenance in the amount set forth in the Adopted Budget; and

WHEREAS, the District has previously levied an assessment for debt service, which the District desires to collect for Fiscal Year 2019/2020; and

WHEREAS, Chapter 197, *Florida Statutes*, provides a mechanism pursuant to which such special assessments may be placed on the tax roll and collected by the local tax collector ("**Uniform Method**"), and the District has previously authorized the use of the Uniform Method by, among other things, entering into agreements with the Property Appraiser and Tax Collector of the County for that purpose; and

WHEREAS, it is in the best interests of the District to adopt the assessment roll ("**Assessment Roll**") attached to this Resolution as **Exhibit "B,"** and to certify the portion of the Assessment Roll related to certain developed property ("**Tax Roll Property**") to the County Tax Collector pursuant to the Uniform Method and to directly collect the portion of the Assessment Roll relating to the remaining property ("**Direct Collect Property**"), all as set forth in **Exhibit "B;"** and

WHEREAS, it is in the best interests of the District to permit the District Manager to amend the Assessment Roll adopted herein, including that portion certified to the County Tax Collector by this Resolution, as the Property Appraiser updates the property roll for the County, for such time as authorized by Florida law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE CFM COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. BENEFIT & ALLOCATION FINDINGS. The provision of the services, facilities, and operations as described in **Exhibit "A"** confers a special and peculiar benefit to the lands within the District, which benefit exceeds or equals the cost of the assessments. The allocation of the assessments to the specially benefitted lands is shown in **Exhibits "A" and "B,"** and is hereby found to be fair and reasonable.

SECTION 2. ASSESSMENT IMPOSITION. Pursuant to Chapters 170, 190 and 197, *Florida Statutes*, and using the procedures authorized by Florida law for the levy and collection of special assessments, a special assessment for operation and maintenance is hereby imposed and levied on benefitted lands within the District and in accordance with **Exhibits "A" and "B."** The lien of the special assessments for operations and maintenance imposed and levied by this Resolution shall be effective upon passage of this Resolution.

SECTION 3. COLLECTION AND ENFORCEMENT; PENALTIES; INTEREST.

A. Tax Roll Assessments. The operations and maintenance special assessments and previously levied debt service special assessments imposed on the Tax Roll Property shall be collected at the same time and in the same manner as County taxes in accordance with the Uniform Method, as set forth in **Exhibits "A" and "B."**

B. Direct Bill Assessments. The operations and maintenance special assessments imposed on the Direct Collect Property shall be collected directly by the District in accordance with Florida law, as set forth in **Exhibits "A" and**

“B.” Assessments directly collected by the District are due in full on December 1, 2019; provided, however, that, to the extent permitted by law, the assessments due may be paid in several partial, deferred payments and according to the following schedule: 50% due no later than December 1, 2019, 25% due no later than February 1, 2020 and 25% due no later than May 1, 2020. In the event that an assessment payment is not made in accordance with the schedule stated above, the whole assessment – including any remaining partial, deferred payments for Fiscal Year 2019/2020, shall immediately become due and payable; shall accrue interest, penalties in the amount of one percent (1%) per month, and all costs of collection and enforcement; and shall either be enforced pursuant to a foreclosure action, or, at the District’s sole discretion, collected pursuant to the Uniform Method on a future tax bill, which amount may include penalties, interest, and costs of collection and enforcement. Any prejudgment interest on delinquent assessments shall accrue at the rate of any bonds secured by the assessments, or at the statutory prejudgment interest rate, as applicable. In the event an assessment subject to direct collection by the District shall be delinquent, the District Manager and District Counsel, without further authorization by the Board, may initiate foreclosure proceedings pursuant to Chapter 170, *Florida Statutes*, or other applicable law to collect and enforce the whole assessment, as set forth herein.

C. **Debt Obligations Held in Abeyance.** U.S. Bank National Association, acting in its capacity as trustee to the holders of the District’s outstanding special assessment bonds, has directed the District to refrain from collecting previously levied debt service assessments on certain property owned by Maxcy Development Group Holdings – CFM, Inc., a special-purpose entity currently holding lands within the District on behalf of said bondholders. Consequently, the District will not collect previously levied debt assessments on such lands as set forth in **Exhibits “A”** and **“B,”** provided, however that the District reserves the right to resume the collection of previously levied debt assessments in the future.

D. **Future Collection Methods.** The decision to collect special assessments by any particular method – e.g., on the tax roll or by direct bill – does not mean that such method will be used to collect special assessments in future years, and the District reserves the right in its sole discretion to select collection methods in any given year, regardless of past practices.

SECTION 4. ASSESSMENT ROLL. The Assessment Roll, attached to this Resolution as **Exhibit “B,”** is hereby certified for collection. That portion of the Assessment Roll which includes the Tax Roll Property is hereby certified to the County Tax Collector and shall be collected by the County Tax Collector in the same manner and time as County taxes. The proceeds therefrom shall be paid to the District.

SECTION 5. ASSESSMENT ROLL AMENDMENT. The District Manager shall keep apprised of all updates made to the County property roll by the Property Appraiser after the date of this Resolution, and shall amend the Assessment Roll in accordance with any such updates, for such time as authorized by Florida law, to the County property roll. After any amendment of the Assessment Roll, the District Manager shall file the updates in the District records.

SECTION 6. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

SECTION 7. EFFECTIVE DATE. This Resolution shall take effect upon the passage and adoption of this Resolution by the Board.

PASSED AND ADOPTED THIS 15TH DAY OF AUGUST, 2019.

ATTEST:

**CFM COMMUNITY
DEVELOPMENT DISTRICT**

Secretary / Assistant Secretary

By: _____
Chairman / Vice Chairman

Exhibit A: Fiscal Year 2019/2020 Budget
Exhibit B: Assessment Roll (Uniform Method)
Assessment Roll (Direct Collect)

Exhibit A

Fiscal Year 2019/2020 Budget

Exhibit B

Assessment Roll (Uniform Method)
Assessment Roll (Direct Collect)

TAB 5

RESOLUTION 2019-08

A RESOLUTION OF THE BOARD OF SUPERVISORS OF CFM COMMUNITY DEVELOPMENT DISTRICT DESIGNATING DATES, TIME AND LOCATION FOR REGULAR MEETINGS OF THE BOARD OF SUPERVISORS OF THE DISTRICT, AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, CFM Community Development District (hereinafter the "District") is a local unit of special-purpose government created and existing pursuant to Chapter 190, Florida Statutes, being situated entirely within Lee County, Florida; and

WHEREAS, the District's Board of Supervisors (hereinafter the "Board") is statutorily authorized to exercise the powers granted to the District; and

WHEREAS, all meetings of the Board shall be open to the public and governed by the provisions of Chapter 286, Florida Statutes; and

WHEREAS, the Board is statutorily required to file annually, with the local governing authority and the Florida Department of Economic Opportunity, a schedule of its regular meetings.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF CFM COMMUNITY DEVELOPMENT DISTRICT:

Section 1. Regular meetings of the Board of Supervisors of the District shall be held as provided on the schedule attached as Exhibit "A".

Section 2. In accordance with Section 189.015(1), Florida Statutes, the District's Secretary is hereby directed to file annually, with Lee County, a schedule of the District's regular meetings.

Section 3. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED THIS 15TH DAY OF AUGUST, 2019.

**CFM COMMUNITY
DEVELOPMENT DISTRICT**

CHAIRMAN / VICE CHAIRMAN

ATTEST:

SECRETARY / ASST. SECRETARY

EXHIBIT "A"
BOARD OF SUPERVISORS MEETING DATES
CFM COMMUNITY DEVELOPMENT DISTRICT
FISCAL YEAR 2019/2020

October 17, 2019
December 19, 2019
February 20, 2020
April 16, 2020
June 18, 2020
August 20, 2020

All meetings will convene at 11:30 a.m. and will be held at the office of the District Manager, Rizzetta & Company, Inc., located at 9530 Marketplace Road, Suite 206, Fort Myers, Florida 33912.